FBIS DAILY REPORT

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LABOR MINISTER BARRIONUEVO RESIGNS 24 MAR

PY242158 Buenos Aires TELAM in Spanish 2028 GMT 24 Mar 87

[Text] Buenos Aires, 24 Mar (TELAM) -- The Labor Ministry's Press Office has confirmed that Labor Minister Hugo Barrionuevo has handed in his resignation.

This report was released just after 1700 [2000 GMT].

NAVY CAPTURES JAPANESE FISHING BOAT 23 MAR

PY241438 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1400 GMT 24 Mar 87

[Text] Buenos Aires, 24 Mar (NA) -- It was officially reported here today that a Argentine Naval Prefecture patrol vessel has captured a Japanese boat that was illegally fishing in Argentine waters, 197 nautical miles of the Puerto Quequen Lighthouse.

The Argentine vessel 28-Prefecto Derbes early yesterday morning intercepted the Japanese ship Maru-Naka without incident.

The two ships are now heading for Puerto Quequen, which is located near Necochea, 500 km south of Buenos Aires.

SPOKESMAN DENIES CASTRO CALL ON HUMAN RIGHTS VOTE

PY241609 Buenos Aires TELAM in Spanish 1535 GMT 24 Mar 87

[Text] Buenos Aires, 24 Mar (TELAM) -- Presidential Spokesman Jose Ignacio Lopez at noon today said that it is not true that President Raul Alfonsin received a telephone call from his Cuban counterpart, Fidel Castro, to persuade Argentina to vote against the U.S. Geneva proposal calling for an investigation into human rights in Cuba.

Lopez thus denied press reports citing former U.S. Ambassador to the United Nations Jeane Kirkpatrick's claim that Castro has personally called the leaders of Colombia, Venezuela, and Argentina.

CHIEF OF STAFF BRIEFS ARMY LEADERSHIP ON TRIALS

PY242041 Buenos Aires Domestic Service in Spanish 1600 GMT 24 Mar 87

[Text] Today Army Chief of Staff General Hector Rios Erenu will brief the Army leadership on the status of the Army personnel summoned to testify before the courts investigating crimes committed during the struggle against subversion.

The generals on active duty and the colonels who have been proposed for promotion, and whose applications are being studied by the appropriate Senate Committee, are holding their first meeting of 1987.

The meeting will end tomorrow with a briefing by Defense Minister Horacio Jaunarena who will focus his talk on the military policy of the executive branch and the programs being implemented by the national government to restructure and modernize the Army.

EXPERTS DISCUSS DEVELOPMENT OF NUCLEAR BOMB

PY231634 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Mar 87 p A5

[By Tania Malheiros]

[Text] In an exclusive statement for FOLHA last week, General Haroldo Erichsen Fonseca, 63, Army science and technology secretary, said: "To manufacture atomic bombs is not our objective, but, if necessary, we will. With the knowledge we are gaining, obviously, we will be in a position to manufacture them. If we have resources, we can do it in 2 years time." However, according to Gen Fonseca, "Brazil does not need to build the bomb because currently it does not have any enemies."

According to the chief of the Army Technological Center (CTEX), an agency subordinated to the Army Science and Technology Secretariat, General Hermano Lomba Santoro, 60, "Brazil does not yet have the know-how to build atomic devices." However, he said that "with the acquisition of knowledge, the formation of research groups, and the installation of new laboratories to gain mastery over the atom, building the bomb will be possible, but not likely, because that would depend on the government's political decision, which has not yet been made."

In the opinion of writer, filmmaker, and producer of films on ecology, Federico Fullgraf, 36, "if Brazil is investing in a parallel nuclear program, the political decision to manufacture the bomb has already been made." Fullgraf said that it does not make sense for Brazil to have an atomic bomb "when the superpowers have more than 50." In his book "The Peaceful Atomic Bomb" due in May, Fullgraf says that he included articles written by Navy and Air Force officers, discussing the appropriate technological option and the probable cost of the bomb for Brazil.

Physicist Luiz Pinguelli Rosa, 45, of the Brazilian Physics Society (SBF), says that "Brazil is not in a position to build the bomb in the near future -- 2 or 3 years -- because the country has not yet mastered the technology to enrich and reprocess uranium to obtain the materials necessary to build the bomb. According to Pinguelli Rosa, "there is at Angra [site of Brazil's first nuclear plant] enough plutonium to build a bomb. The problem is that Brazil is not in a position to separate that plutonium, because it does not have the facilities to do so."

Fullgraf does not agree with Pinguelli Rosa. Fullgraf says that "Brazil is already reprocessing plutonium at the Energy and Nuclear Research Institute (IPEN) in Sao Paulo, an agency subordinated to the National Nuclear Energy Commission (CNEN). IPEN has received through the Brazilian-FRG agreement a "hot cell" to do that on a laboratory scale. Fullgraf added that "there is an internationally organized connection among governments, research institutions, and scientists, which helped Brazil set up that infrastructure." This is why, he said, "there are areas in the IPEN that are off-limits even for inspectors from the International Atomic Energy Agency [IAEA]. Thus, it would be a mistake to think that the parallel program is only intended to do research on the fuel cycle."

For Pinguelli, Brazil already has the know-how to make the bomb. Its situation is identical to that of Argentina, and "both countries are engaged in a quiet race to build the bomb, although publicly they take a position against it." He said: "If the problem of enriching uranium and reprocessing it to obtain plutonium is solved, Brazil will be able to make the bomb in 3 to 5 years." Pinguelli does not refuse "to discuss the need for nuclear technology, including the fuel cycle," but he rejects the idea that "Brazil should manufacture a bomb." The physicist does not agree that this question "should be left in the hands of the military."

Pinguelli contends that the parallel nuclear program, which was initiated under the government of Joao Baptista Figueiredo, "is directed at developing nuclear technology for military purposes to the extent that it includes the development of a nuclear submarine and the fuel cycle." The physicist said that the SBF does not agree with the parallel program, because it entails the possibility for building an atomic bomb secretly, without any democratic control by society." He added that the SBF is open to discussing the possibility of constructing an atomic submarine, "provided it is not equipped with atomic warheads."

In the words of Pinguelli, the parallel program "is a legacy from the military dictatorship, because there are strong indications that during the government transition period a pact was struck to preserve the program." The physicist also challenged "the military to debate the merit of an atomic bomb." Pinguelli regrets that "political parties should not be discussing the parallel nuclear program, meaning the manufacture of the bomb -- an instrument of power for the military establishment."

While independent physicists stand against the continuation of the parallel nuclear program, which may lead to the manufacture of the atomic bomb, military authorities now publicly contend, in contrast to last year, that the program is needed.

Gen Santoro of the CTEX affirmed that "our opinion is that an independent nuclear program must be carried out so that, at the right time, research and laboratory teams will be in a position to participate in a national effort to attain self-sufficiency in this sector."

Gen Santoro added that "Brazil needs to be prepared to develop its own technology in the most complex fields because the more critical the area the less forthcoming will be the international cooperation, whether for political or commercial reasons." According to him, "it would be utopian to think that someone will help Brazil to master the atom without any self-interest." He explained that "to that effect there is a considerable exchange of information between the research and teaching institutions of the Army, Navy, and Aeronautics." He then observed: "I don't mean to say that we want to do everything, but we believe that we must know how to do it."

Army Science and Technology Secretary Gen Fonseca explained that "what the press calls the parallel program is nothing but an independent research program aimed at giving the country autonomy in the area of nuclear energy manipulation." Then he said: "Any dispassionate and reasonable person knows that Brazil is bent on attaining a high level of economic and technological development by the early 21st century. Brazil needs to gain expertise in the so-called nuclear fuel cycle because no foreign country will share this expertise."

According to Nuclebras' nuclear fuel Director David Neiva Simon, 55, the parallel program has "objectives, administrative systems, and a management structure completely different from those of Nuclebras, which are dedicated to the construction of nuclear plants, based on the broad industrial cooperation agreement between the FRG and Brazil." Simon pointed out that Nuclebras activities are controlled, overseen, and safeguarded by the IAEA; that its financial resources are budgeted by the federal government; and that its financing is in deutsche marks. He affirmed: "Nuclebras commits no transgressions because its objectives are very clear."

Simon noted, however, that, as the press has already reported, the Navy has chosen Nuclebras to develop, through NUCLEP (Nuclebras Heavy Equipment, Inc) in the municipality of Itaguai (73 kilometers from Rio de Janeiro on the state's southern coast), the hulls of two conventional submarines, which strictly speaking form no part of the parallel nuclear program but is simply a point of tangential contact."

In Simon's opinion, Brazil may have been led to opt for a parallel nuclear program by "the insufficiences or vulnerabilities" of the technological process included in the agreement with the FRG." He said that "as a Brazilian, I would like to see that parallel program defined more clearly." Fullgraf pointedly said: "The Armed Forces ought to make an option for peace, leaving that market of death. What is happening in Europe could serve as example for Latin America."

ANIBAL TEIXEIRA NAMED NEW PLANNING MINISTER

PY242319 Brasilia Domestic Service in Portuguese 2200 GMT 24 Mar 87

[Passages within quotation marks recorded]

[Text] It has been confirmed, Anibal Teixeira, who is currently head of the Community Affairs Secretariat, is the new planning minister. Tonight he spoke about his plans for the Planning Ministry. "I will formulate a social and economic policy for the country and I will have the task of coordinating government actions."

Teixeira addressed a special message to businessmen.

"We intend to implement participation. We are going to listen to all businessmen, all workers, and all social classes. We intend to use democracy, we do not intend to use authoritarian plans. Our plan will be drafted with the help of the population as a whole, including the businessmen, the force that really marks the guidelines and stimulates the national economy."

The new minister will be installed at 1130 [1430 GMT] on 25 March in Brasilia.

BUSINESSMEN SEEK MINISTER FUNARO'S RESIGNATION

PY231824 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Mar 87 p 1

[Text] Businessmen who met with President Jose Sarney yesterday in Itatiba, 84 kilometers from Sao Paulo, expressed their wish that Finance Minister Dilson Funaro leave the Cabinet. The businessmen said that it would be better to replace Funaro with the president of International Vale do Rio Doce Company, Eliezer Batista. They believe that signs of recession exist and that to avoid this, the government should maintain its option for growth, return the country to a market economy, and speed up the foreign debt negotiations.

FIESP [Sao Paulo State Industrial Federation] President Mario Amato proposed that the country return to the IMF. The businessmen frowned on the proposal of a new price freeze, asked that high interest rates be brought under control, and called for a definition of the economic policy.

FURTHER ON SARNEY'S MEETING WITH BUSINESSMEN

PY241813 Brasilia Radio Nacional da Amazonia in Portuguese 1000 GMT 24 Mar 87

[Passages within quotation marks recorded]

[Text] Brazil needs domestic and foreign investments to maintain its growth. This assertion was made by Finance Minister Dilson Funaro regarding the banks' proposal that the country pay half the interest on its debt.

Minister Funaro said the country does not need to seek a short-term solution, rather a long-term one is needed.

[Funaro] "In the first meeting, the possibility that Brazil might pay only part of the interest was mentioned. This appeal was made by the group [not further identified]. I can say that the decision adopted by Brazil was not intended to solve short-term problems, but to seek long-term solutions. Brazil did not decide to suspend payments and to deposit them with the Central Bank in order to find a quick solution now. Brazil seeks a solution that will consolidate its foreign debt, that will open new horizons to foreign and domestic investors, and that will ensure the country's development. This is what a true solution to the foreign debt problem calls for."

The finance minister denied that during a meeting President Sarney held with a group of businessmen at a farm in Itatiba, Sao Paulo. the economic policy was harshly criticized, although it was recognized that problems do exist.

[Funaro] "The concerns raised by the businessmen about recession and development were unanimous. They voiced the viewpoint that the economy must grow. This means that we have an important agenda. There are problems, such as those at the Coffee Institute, with prices and the CIP [Interministerial Price Commission]. There are in fact problems, but the function of the Finance Ministry is to administer these type of problems."

The minister also said that he is negotiating the foreign debt while large groups in the nation realize what should be done, however, a small group is defending interests which are not ours. In this regard, he noted that he has always been a calm man, one who is sure of what he is doing.

In turn, Frota Netto, the spokesman for the presidency, commented on President Sarney's with Sao Paulo businessmen last Saturday, saying that the meeting's objective was to guarantee the government's commitment to avoiding a recession.

According to Frota Netto, the president participated in that meeting to listen to demands the businessmen wanted to voice. The businessmen told the president that they would like the government to develop a plan to permit them to make investments without state intervention. Frota Netto also said that the dismissal of Finance Minister Dilson Funaro was not demanded at the meeting.

[Frota] "At no time did any of the 24 businessmen who participated in the meeting make comments on any of the ministers of state -- not the finance minister or any other minister of the economic area."

As for the foreign debt negotiations, the spokesman said that the consensus of the businessmen calls for Brazil not to resort to the IMF.

[Frota] "Only one businesssman, Claudio Bardella, cited the need for the government to negotiate with the IMF. Claudio Bardella was asked by the others at the meeting to consider that the IMF policy is recessionary, and thus counter to President Sarney's commitment, and that the 70 percent of the economy that is state run would increase to 90 percent under a recessionary policy. He replied that Brazil will not overcome its difficulties through negotiations with the IMF and through recessionary policies, but rather through the common effort of all Brazilians and their support for President Sarney. The sum of all these efforts will lead society to find solutions to the current difficulties."

On 5 April, President Sarney will hold a consultation meeting with businessmen of the state of Rio de Janeiro.

This is Claudio Veloso reporting for JORNAL NACIONAL.

BANKS EMPLOYEES TO STRIKE FOR INCREASED PAY

PY241227 Rio de Janeiro Rede Globo Television in Portuguese 0220 GMT 24 Mar 87

[Excerpts] Bank workers have decided to strike for better salaries. This decision was made during meetings held throughout the country. In some cities, such as Brasilia, Belo Horizonte, and Campinas, the bank workers have already formed picket lines to try to prevent people from cashing checks in banks. The federal police have been ordered to occupy cashiers' offices in branches of the Bank of Brazil located in the states where workers mobilization is greatest.

In Brasilia, Bank of Brazil President Camilo Calazans proposed a salary adjustment for bank employees in an attempt to prevent the strike. [passage omitted] However, the proposal was unanimously rejected during a meeting held by Brasilia bank employees. The meeting lasted more than 1 hour and was attended by approximately 5,000 persons. [passage omitted]

In Sao Paulo 3,500 Bank of Brazil workers decided to strike. Federal Savings bank employees are also going to strike. The private bank employees held their meeting in the Praca da Se this evening. Initially, some of the employees were in favor of the strike and others supported a strike on the 27th but they finally decided to strike at midnight. [passage omitted]

At 0000 today, bank employees in Rio de Janeiro also began a strike. This decision was made tonight during a meeting at the Maracanazinho football stadium that started after the workers learned of the decision by Bank of Brazil employees who held a separate meeting. Bank of Brazil employees decided to stage an indefinite strike. [passage omitted]

Rio de Janeiro Military Police Secretary Colonel Manuel Elisio dos Santos said that they are not going to allow the establishment of picket lines during the strike. He added that they will see that the law is respected in order to safeguard the right of those who wish to work.

Government Acknowledges Strike

PY251056 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 24 Mar 87

[Excerpts] To some extent, the bank workers strike has affected private and state banks practically throughout the country. Banco do Brasil and Bradesco have been the hardest hit by the strike, while some small banks have operated normally.

The clearing houses have been having problems since last night when the bank employees decided to strike; however, they are still operating and the Central Bank of Brazil has issued instructions that checks worth more than 9,000 cruzados should be cleared first. Federal Police and Military Police units have been sent out to stop picket lines and protect the banks. No incidents have been reported in Sao Paulo. According to Rio de Janeiro bank workers, 70 percent of their colleagues did not go to work.

The strike was not general in Rio de Janeiro. Some bank branches managed to stay open like this one on Copacabana, where there were no picket lines or special police guards. However, at another branch of the same bank in a different neighborhood, the striking workers formed picket lines and stopped clients from entering the building.

Military Police protected all banks while the strikers demonstrated in downtown Rio de Janeiro. They stopped in front of one bank branch which was closed but full of employees who were working. The manager of the bank asked for additional police protection. Maximum protection was given to the clearing house of Banco do Brasil and the data processing centers of private banks. The strikers were trying to stop the clearing house from operating, but police removed a vehicle of the bank workers union which was blocking an armored vehicle carrying documents. Later, police forced the strikers to withdraw beyond the gate of the building.

Only Banco do Brasil workers went on strike in Porto Alegre. In southeastern Parana State the farmers loaned machinery and tractors to strikers so they could block access to bank branches. In Belo Horizonte, the local clearing house of the Banco do Brasil did not operate today. Meanwhile, In Brasilia all the bank workers were on strike, and the labor Ministry acknowledged the strike this afternoon. [passage omitted]

At the beginning of the evening, the Labor Ministry issued a review of the status of the bank workers strike throughout the country. According to this review, the government acknowledges a total stoppage in 14 out of the 24 states and territories of the federation. A total stoppage means the closing down of every one of the branches of the Banco do Brasil, the Federal Savings Bank, and the private banks.

The Labor Ministry's recognition of the strike is a legal formality which is required before workers and employers can submit their case to the labor courts. The office of the State General Attorney for Labor Affairs tonight asked the Supreme Labor Court to judge the conflict involving all the bank workers of the country. [passage omitted]

Labor Minister Almir Pazzianotto is currently in Washington negotiating a loan to finance training of industrial manpower in Brazil with the World Bank. This is what he had to say about the bank workers' strike.

[Begin recording] I hope that the bank workers and their leaders will make a realistic assessment of their problems. I feel that unity is very important at times like these, when Brazil is facing problems at the international level. Therefore, I hope that they will go back to work. [end recording]

BRIEFS

NEW JUSTICE MINISTRY AUTHORITY -- The justice ministry has a new cabinet chief [chefe de gabinete]: He is Jose Fernando Eichemberg, lawyer, who will also be executive secretary of the Human Rights Defense Council. [Excerpt] [Brasilia Domestic Service in Portuguese 2200 GMT 18 Mar 87 PY]

PRESIDENT PINOCHET INTERVIEWED ON DOMESTIC ISSUES

PM241158 Paris LE FIGARO MAGAZINE in French 14 Mar 87 pp 128-134

[Interview with President Augusto Pinochet by Eric Brissaud in Bucalemo, near Santiago -- no date given]

[Excerpts] [Passage omitted] [Brissaud] You recently promised liberalization measures, notably the return of exiles....

[Pinochet] That was necessary. We had to adopt a fundamental course and gradually normalize the situation. For instance, I did not want to continue martial law in the regions to which it was applied. Regarding those people banned from returning to the country, I wanted the government to adopt measures enabling the exiles to return to show that we are inspired by a spirit of national unity. But I have maintained exile for those who present a serious threat to our country's public life.

[Brissaud] How many people will you allow to return?

[Pinochet] A series of 8 to 10 lists will be submitted by the Interior Ministry to a commission which will make a decision on the return of these exiles.

[Brissaud] Do you fear the return of some people...? (He interrupted me immediately -- Brissaud note)

[Pinochet] I am allowing them to return because I am sure I can control them. You know, the people who live here, in Chile, are tired of all the terrorist actions and the clashes they produce. I have also decided to submit a bill to the legislative commission which will enable a 1-year reduction in sentences already passed by the courts. Finally, the bill on political parties will come into force in the next few days.

[Brissaud] Are foreign countries really satisfied with these measures?

[Pinochet] On one hand they think they are good measures. But they would like us to open the door completely, even to those who have committed serious crimes against Chile. [passage omitted]

[Brissaud] Do you realize that the opinion abroad is that Chile is not yet a democracy?

[Pinochet] Everybody is in favor of democracy! I too am a democrat. But I take some precautions. Communism does not accept democracy, but the democrats accept communism. So, I think it is wise to beware of communism if we do not want it to seize control of the country. This is what we did with the 1980 Constitution. Our country does not have the totalitarian oppression imposed by the Communists who are destroying everything in Nicaragua, Afghanistan, and Cuba. [passage omitted]

[Brissaud] Are you satisfied with the economic results obtained with this system?

[Pinochet] The international recession and its effects on copper prices affected us a few years ago, but our political stability enabled us to overcome these problems. The latest statistics show that unemployment has fallen to 10.2 percent of the working population, which corresponds to the customary level in our country. During the last 3 years, our gross industrial product has increased by 18.1 percent and our exports increased by almost 11 percent last year alone.

The average standard of living has, therefore, begun to increase again, with an increase in incomes in real terms, while the gradual reduction in the public sector deficit has made it possible to ease the debt burden. The consistency and quality of our economic policy have also prompted international financial bodies to support our development program and this enables us to speed up our economic recovery. [passage omitted]

[Brissaud] Do you think one day there could be a Latin American common market?

[Pinochet] Latin America is a continent which has great economic potential. It has vast natural resources and the Latin American countries have recently attained an excellent scientific and technical level. However, such a common organization could not operate with diametrically opposed economic policies and systems which are unstable or have deteriorated. And yet, like all Chileans, I am deeply aware of my Latin American identity, and I am confident of the vast role our continent could play on the world stage.

[Brissaud] Despite your isolated geographical position?

[Pinochet] Yes, it is true that we are very isolated; Chile is an island at the end of the world. That may be why you are so badly informed...

But, as I have told you, this isolation has given us our unity. It is a unity strengthened by 400 years of war with the Indians. The war began in 1541! [passage omitted]

SOCIALIST LEADER ALMEYDA RETURNS CLANDESTINELY

Surrenders to Santiago Court

PY242002 Paris AFP in Spanish 1916 GMT 24 Mar 87

[Text] Santiago, 24 Mar (AFP) -- Juridical sources have confirmed to AFP that Chilean socialist leader Clodomiro Almeyda, who was vice president and foreign minister in the Salvador Allende government, returned clandestinely to Chile, and today surrendered to a court in Santiago. Almeyda lived in the GDR after the military government of President Augusto Pinochet arrested him and sent him into exile in February 1975.

Banished to 'Extreme South'

PY250139 Paris AFP in Spanish 0125 GMT 25 Mar 87

[Text] Santiago, 24 Mar (AFP) -- It was officially reported tonight that the Chilean military government has banished former Socialist Foreign Minister Clodomiro Almeyda to the extreme south of the country.

A communique released by the Government Social Communications Agency (DINACOS), reports that Almeyda was transferred to Chile Chico, where he will carry out his banishment. The DINACOS communique states that the measure that has been adopted against the Socialist leader, who entered the country clandestinely, is based on the powers granted under Transitionary Article 24 of the Constitution.

VARGAS PAZZOS ON COMMANDOS' ACTION, REBELLION

PA242133 Mexico City UNOMASUNO in Spanish 21 Mar 87 p 18

[Interview with Air Force General Frank Vargas Pazzos by unidentified ALASEI reporter -- date, place not given]

[Text] Quito, 20 Mar (ALASEI) -- He said that he belongs to the center-left and that in his 36 years in the Ecuadoran Army he has received more decorations than anyone else in the history of that institution. General Frank Vargas Pazzos justified his insurrection on 7 March 1986 against President Leon Febres Cordero as follows:

"I acted as I did because that ruling right wing, which is a minority, is now holding in their hands the resources that guarantee our happiness. They have also put those resources at the service of the huge transnational enterprises. Further, had I not taken any action, the Febres Cordero team would have remained in power for the next 30 years and the people's political apathy would have consolidated into a depressing situation of slavery. [no closing quote mark as published]

Vargas Pazzos, whose family orgins go back to the time of the Alfarist rebellion, which generated the liberal revolution in 1895, said that he respects the left wing. At the same time, he said that he has an obsession to liberate the Ecuadoran people from economic injustice and social oppression.

Following his revolt, Vargas Pazzos was taken to a garrison and imprisoned. His rebellion began after a violent discussion he had with Defense Minister Luis Pineiros. Vargas Pazzos took over a Quito Air Force base and then entrenched himself at the Manta base, heading a small group of his followers. Armed with a gun, he faced tanks and machineguns.

Congress granted Vargas Pazzos amnesty in September 1986. This amnesty was ignored by Febres Cordero. The president's attitude caused the rebellion of a group of parachute commandos at the Taura Air Force base on 17 January 1987. The group kidnapped Febres and released him once Vargas Pazzos had been released.

It was not easy to find Gen Vargas Pazzos, but ALASEI was finally able to contact him. Below we reproduce part of the long talk ALASEI had with Vargas Pazzos in secrecy.

[ALASEI] Do you think the Ecuadoran Air Force (FAE) intelligence services failed on 16 January when the Taura commandos kidnapped President Leon Febres Cordero?

[Vargas Pazzos] No, I do not think so. It is well known that the government was aware of the unrest in the FAE. This has been made public through a Guayaquil reporter.

[ALASEI] Was the parachute commandos' attitude justified? Did they not risk institutional stability by taking such a position?

[Vargas Pazzos] There are some superior principles of life which have not been written -- or that are -- which are solidarity, esprit de corps, ethical-moral concepts, honor, and that aspect in human beings that leads them to rescue something they thought they had lost: the integrity of the institution to which they are committed.

Our soldiers are educated in a school of patriotism and values. This must be taken into account when making any judgment. A partial investigation, as is being conducted today, cannot be done, an investigation which itself breaks laws.

[ALASEI] Are the parachute commandos being judged outside the law?

[Vargas Pazzos] Yes, because they should be at the garrisons of their respective military branch, which is the FAE. Since they are at a different place, there is tension.

[ALASEI] How do you justify the March 1986 rebellion? Its causes seem to be that President Febres refused to promote you to the rank of general of the Air Force and did not grant you an audience to listen to your claims. Is this not a personal problem with the chief of state?

[Vargas Pazzos] I do not want to give simple justifications of a fact that is in no way the result of subsequent events [sentence as published]. My claims were made through the appropriate military channels; they were written communications. The failure to recognize my authority reached the point of offense. I call this an offense because not only was my military authority ignored, but they attempted to subordinate it to officers of lower ranks. Despite this, I always remained within military rules. When my subordinates -- with good reason -- said to me that this irregular situation should be resolved in the best possible way, I decided to talk to the defense minister. General Pineiros' response was so defiant that it caused the incident at the ministry.

[ALASEI] What do you think caused the attitude against you by some military chiefs and the president? You made some charges. In addition to those regarding the illegal handling of Armed Forces funds, what are the other irregularities you noticed?

[Vargas Pazzos] Given the political presence of my brother Rene Vargas Pazzos, currently a Popular Democracy Party deputy, President Febres Cordero and the defense minister tried to ignore my authority. As chief of the joint command I believe that the oil policy the current government was carrying out as well as some projects should have been discussed because of their dimension and strategic importance.

Candidacy Announced

PA241409 Quito Radio Quito in Spanish 2300 GMT 23 Mar 87

[Text] Guayaquil -- The Broad Front of the Left, FADI, a political coalition headed by the Communist Party of Ecuador, has announced that one of its presidential candidates will be Frank Vargas Pazzos, who is currently hiding out. The decision was made at an assembly held by FADI representatives in Guayaquil this weekend.

Vargas Pazzos, a fugitive of military justice because of an alleged fraud concerning military funds, headed three coup attempts against the constitutional government of President Leon Febres Cordero last year. Vargas Pazzos' reaction to the Communists' proposal is unknown.

In their assembly, the Communists also agreed to offer a coalition to the rest of progressive parties in the parliament [words indistinct] to present a single candidate in the upcoming elections. The elections will be held in January 1987 [date as heard] in two rounds. Vargas Pazzos, without a specific ideology, although he is considered of the populist left, has already announced that he will run for president.

GOVERNMENT OFFICIAL CRITICIZES 25 MARCH STRIKE

PA221341 Quito Voz de los Andes in Spanish 1130 GMT 20 Mar 87

[Text] Marco Lara Guzman, national security of public information, has said that the national strike announced by the Sole Workers Front for Wednesday, 25 March, is politically motivated and untimely. The secretary said that such positions in no way benefit the country; he added that paralyzing activities will not resolve the economic crisis experienced by Ecuador:

[Begin Lara recording] From a legal standpoint, the government recognizes and respects the right to strike; however, there are different kinds of strikes. There are strikes approved by the law that allow workers to defend themselves from the abuses and outrages of employers. There are also other strikes, strikes that do not have the goal of defending the workers. They follow the line of political positions, of partisan positions, of positions that seek to create serious social problems, restlessness, and uncertainty in the country. Are economic problems solved with uncertainty, [word indistinct], and restlessness? In no way. We must face this problem by leaving aside positions dictated by political motives. The crisis is tackled through work. When parents need to bring more money home, they work much harder. They do not take time off for leisure. Ecuador must work harder; Ecuador must seek genuinely effective measures. If strikes are the solution to economic crises, given that there have been so many strikes in the country, by now there should be no economic problems. They should have already been resolved.

[Words indistinct] transportation stoppage. I am not making a judgment based on whether a group of transporters has supported this government or previous governments. What I am saying is that a strike, a political position, cannot effectively or efficiently solve economic problems. [end recording]

Labor Leaders Arrested

PA250242 Quito Radio Quito in Spanish 2300 GMT 24 Mar 87

[Excerpt] The citizenry is expectantly waiting for developments, given the 24-hour general workers strike decreed for Wednesday, 25 March. While leaders of the various strike committees have been coordinating the action, the national government has acted quickly and declared the strike illegal and untimely. According to an official communique from Government and Police Minister Luis Robles, the state will guarantee public services, including transportation, potable water, electricity, and the telephone system.

Meanwhile, it was learned that five labor leaders were arrested on Monday night in Guayaquil; they were accused of disrupting public order. Those arrested are: Arnoldo Quinonez, Cesar Quintana, Fabio Mendoza, Jorge Macharea, and Julio Chang Crespo.

Edgar Ponce, president of the Confederation of Ecuadoran Workers, has protested the arbitrary and illegal arrest of five Sole Workers Front leaders in Guayas. According to his accusations, they were kidnapped from their houses in an unprecedented measure coordinated by Governor Jaime Lobos Arias. Ponce Itturiaga also said that the government's new attitude reaffirms its disrespect for human rights and free organization, which are guaranteed by the Constitution. He also said that this represents a provocation to the country's working class. The labor leader demanded the release of his arrested fellow leaders. [passage omitted]

GARCIA DISCUSSES ECONOMY UPON DEPARTURE TO MEXICO

PY241408 Lima Television Peruana in Spanish 0100 GMT 24 Mar 87

[Excerpts] [Passage omitted] President Alan Garcia departed this afternoon on an official 2-day visit to Mexico, in response to an invitation from President Miguel de la Madrid. Before departing, Alan Garcia met for a few minutes with Economy, Finance, and Commerce Minister Luis Alva Castro, and Aeronautics Minister General Jose Guerra Lorenzetti. Garcia then spoke to journalists.

[Begin recording] In a few minutes I will begin a 2-day visit to the United States of Mexico. This is a very important trip for our country. [passage omitted]

No Peruvian should heed the false assertions that our democracy, obtained with so much efforts, is in danger. I also wish to say that our economic program, in effect since 28 July 1985, is not in danger. Our economic system has already given our country more than 20 months of good results. I want to remind the people that these 20 months of good results already justify our effort in curbing inflation, increasing consumption, and improving conditions in our departments and provinces. All these achievements will not be undone or destroyed as stated in some newspapers. Our economic program will continue to be enforced, and it will continue to regulate and control the economy. This does not mean freezing salaries or prices, as proposed by some, thus creating shortages. Our program is nationalistic and realistic, and it will be perfected and regulated according to circumstances.

Economic circumstances change and, when the time comes, some instruments may change, but we will always keep the same goals: more economic sovereignty for our country, a higher standard of living for our people, and in all, economic progress for the country.

I just wanted to tell you about my trip to Mexico and to request your calmness and confidence in acknowledging that our democracy is firm and solid. Our economic model will continue to progress and give results in the (?coming) months. [end recording]

FOREIGN MINISTER WAGNER INTERVIEWED ON ISSUES

PY232020 Lima RBC Television in Spanish 0300 GMT 23 Mar 87

[Interview with Foreign Minister Allan Wagner Tizon on the "In Person" program conducted by journalist Ceasar Hildebrand; date, place not given -- recorded or live]

[Excerpts] [Passage omitted] [Hildebrand] Does the treatment of the foreign debt problem mark a great difference between the situations of Mexico and Peru? I am not speaking of antagonism between the two countries, but there is an evident difference between the two. Mexican speeches are far less agressive than the Peruvian ones. Mexico deals with the IMF, Mexico has not estranged itself from the foreign banks. Mexico is therefore not making as much noise as Peru.

[Wagner] Actually, I believe that all Latin American countries have identified the individual problems the debt represents to each of us. Each country must manage its debt the best way possible.

There are two essential aspects. There is a coincidence here, and it is something more than words. There is a coincidence of principles if we consider the debt problems as being political.

In the 1983 Quito conference, and then the Cartagena Consensus, Latin American countries agreed on a set of guidelines for jointly dealing with the foreign debt problem. These guidelines are political.

This means that, first, the foreign debt problem is not just financial, but political and it affects the life of our countries and our region.

Second, there must be coresponsibility between creditors and debtors. This can be demonstrated when the problem is treated bilaterally and internationally.

We have a right to develop. This must come before the interest of the creditors, and this can be observed when our countries restrict their debt servicing so as not to restrict development. [passage omitted]

[Hildebrand] Some time ago Namibian leader Sam Nujoma said, while in Lima, that he agrees with proposing President Alan Garcia as president of the Nonaligned Movement. Is his candidacy being considered by the Peruvian Foreign Ministry?

[Wagner] No, Peru is not a candidate and does not seek this. It is not a Foreign Ministry objective.

[Hildebrand] Wouldn't the president accept a nomination resulting from a general agreement?

[Wagner] We cannot guess. This is not one of our foreign policy objectives. It is not our objective that Peru be the seat of the next Nonaligned Movement summit. This subject will be discussed during the interministerial conference in Cyprus. A decision will be adopted there following a general decision. We are honored by Mr Nujoma's statement, but I must reiterate that Peru is not a candidate.

[Hildebrand] The Peruvian Government says that our foreign policy is nonaligned. Does this mean that Peru is equidistant between the United States and the Soviet Union?

[Wagner] Nonalignment, on one hand is a foreign policy option, and on the other a political movement.

[Hildebrand] As a foreign policy option?

[Wagner] As a foreign policy option, the Nonaligned Movement proposes overcoming the policy which tries to classify countries with one or the other of the two great world powers and to substitute this bloc policy with a new international order which will make democratic decisions pertaining to everyone's peace and safety, and be fair on the distribution of development opportunities.

We are not seeking an equidistant position, or neutrality. We are trying not to belong to either of the two blocs, but rather to overcome this policy of blocs.

[Hildebrand] But in real terms, Peru belongs to one of the two blocs because, for example, Peru is a member of the Inter-American Reciprocal Assistance Treaty, TIAR, which is a continental instrument imposed by past U.S. policy, and which has not served for anything, using the Malvinas Islands issue, because we all saw how the British aggression against the islands was supported logistically by the United States. So why do we still belong to the TIAR?

[Wagner] The TIAR is not considered a military alliance. It is a defense organization which did suffer a serious (?setback) on the occasion of the Malvinas Islands war.

On that occasion it could be seen clearly that, considering regional security, the TIAR was not only an East-West concept but also posed a North-South problem. This will have to be discussed as part of new Latin American security concepts. The TIAR is not a military alliance, it is not an alliance like NATO or other organizations which are specifically military. This is why some of the TIAR members who belong to the Nonaligned Movement have no trouble in maintaining (?such a position). This has been explained before. Nonalignment is little understood. Let me explain. It is said that the Peruvian foreign policy does not really belong to the Nonaligned Movement because it maintains an anti-American attitude. This is not true. What happens is that we are living within a system in which the United States is the main power. Now, if Peru belonged to the Warsaw Pact and it tried to expand its foreign and domestic policy independence, Peru would then have difficulties with the main power of that organization.

As we try to expand our autonomy and propose a new development model, we will, of course, find some difficulties with the main power of any system. This does not mean that our policy is anti-American or pro-Soviet. That is absolutely false.

[Hildebrand] No one would be surprised that an anti-imperialist policy was anti-American in some aspects, like in the case of Central America, or in the case of the Malvinas Islands. I do not see why you should reject this term.

[Wagner] No, I was referring to the outlook of this foreign policy which is sometimes considered anti-....

[Hildebrand, interrupting] Nonalignment was somewhat discredited when it started to be absorbed by the Soviet bloc, but not any more because it has regained some of its autonomy. We all saw this situation, which looked like a real farce, when the Nonaligned Movement was obeying strategic orders from the Soviet Union.

[Wagner] I believe that the Nonaligned Movement passed through a period like the one you have just described but it was not as drastic or dramatic as you described. There were countries, however, at the Nonaligned Movement which said that the Soviet Union was a natural ally of the movement.

[Hildebrand] This was Fidel Castro's thesis. He was a main actor in this whole issue, so I do not think I am exaggerating.

[Wagner] You are speaking of a policy proposed by some countries, specifically Cuba, but that policy was not adopted, and the active participation of countries like Argentina, Peru, Colombia helped the movement return to its original principles. [passage omitted]

RETIRED OFFICERS OPPOSE DEFENSE MINISTRY BILL

PY241414 Paris AFP in Spanish 1829 GMT 19 Mar 87

[Text] Lima, 19 Mar (AFP) -- One hundred and fifty-seven retired Peruvian generals today stated their opposition to the Defense Ministry Bill. This bill, which was already approved by the Chamber of Deputies, would create a defense ministry and eliminate the Aeronautics, War, and Navy Ministries.

In a statement published today in Lima newspapers, the retired officers assert that it is not advisable to make people presume that an attempt is being made to politicize the Armed Forces. They add that today this possibility is clearly perceived by the people and by the members of military institutions, and it could undermine the Armed Forces' role as guardians of the Constitution.

The controversial bill proposed by the ruling American Popular Revolutionary Alliance [APRA] of President Alan Garcia has been rejected by most commanding officers. The Senate will discuss it today 48 hours before the conclusion of a special session.

The statement adds: Apart from any purely political consideration, it is essential to preserve unity and harmony among the three branches of the Armed Forces, both externally and internally.

The 157 officers believe that any changes in the national defense system must be the result of a careful, comprehensive study because of the serious consequences that could stem from hasty actions.

They also request that political polarization among officers on active duty be avoided to prevent divisions that would seriously jeopardize the Armed Forces' fight against subversion.

An argument that has been frequently mentioned by the military is that it would not be advisable to merge the three military ministries now during the subversive war that has distressed the nation for the last 7 years.

Commenting on fears of a possible military coup, General Luis Cisneros Vizquerra has told a Lima television station that the APRA government will be solely responsible if a military coup takes place in the country.

In this regard, President Garcia yesterday said: I firmly believe that from the political standpoint, Peruvian democracy is not facing any risks. Rather, he said, we must focus our concern on promoting socioeconomic development, which must be achieved within our new concept of democracy.

JAPANESE BANKER SHOT BY TERRORISTS IN LIMA

PY231533 Paris AFP in Spanish 1519 GMT 23 Mar 87

[Text] Lima, 23 Mar (AFP) -- Japanese banker Tadao Sawaki, general manager of the Bank of Tokyo in Peru, and his driver were shot today by three terrorists armed with submachineguns in downtown Lima, the Peruvian Police have reported.

Sawaki's car was attacked 1 block from his office in the commercial district of Lima.

Despite being wounded, the driver did not stop the car and kept going, thus escaping certain death, officials said.

The banker sustained three bullet wounds, while his driver sustained four.

Because none of the bullets hit a vital organ, they are both out of danger in the intensive care ward of the Internacional Hospital, according to hospital sources.

GUYANESE PRESIDENT BEGINS OFFICIAL VISIT

PA242143 Caracas Television Service in Spanish 1600 GMT 24 Mar 87

[Text] Hugh Desmond Hoyte, executive president of the Cooperative Republic of Guyana, arrived in Venezuela at 0930 hours. The illustrious visitor and his entourage were met at Simon Bolivar International Airport in Maiquetia by President Jaime Lusinchi, Foreign Minister Simon Alberto Consalvi, and other government officials. The Guyanese president, who will remain in our country for 4 days, will hold talks that are important for bilateral relations and for achieving an agreement on negotiations on the border dispute.

After the protocol greetings from members of the cabinet and other officials, President Hoyte was rendered the honors of a chief of state. Afterwards, the two presidents listened to the national anthems of both countries. Later, Presidents Hoyte and Lusinchi reviewed the honor guard and then went to the Presidential Room of the Simon Bolivar International Airport for the respective welcome speeches.

[Begin Lusinchi recording, in progress] ...Venezuela are better than ever as regards cooperation, understanding, and complementation and that, from this platform, we can very well seek solutions for the small and large problems. It is not my desire to refer to any problem or problems in particular, but rather -- on this occasion of my welcoming you -- to emphasize how auspicious this historic moment is, especially because, as far as Venezuela is concerned, we have reached a thorough understanding of the situation, and, as far as the country you preside over is concerned, relations with Venezuela are certainly at a very promising state. You, particularly, have conducted these relations with intelligence, wisdom, and a lofty spirit of understanding.

I would like to request, Mr President, that you feel at home, that we talk about matters with entire frankness, so that when you return we may assert that we have reached a new milestone in the search for that desired level of relations that will consolidate a friendship which -- I return to geopolitical issues -- must inevitably be maintained at the highest level of complementation and at the highest level of a friendship that enhances and is pursued and maintained for the benefit of both nations and also for the benefits of the human community to which we belong. This is your home, and we are all your friends. [end recording]

[Begin Hoyte recording, in English with superimposed Spanish translation] I come to Venezuela at a favorable time for the development of the relations between our two countries. There has been a significant broadening of the understanding between our peoples and several fields of cooperation are bearing fruit for our mutual benefit. Cooperation in some of these fields has been intensified. This visit may, therefore, be regarded as evidence of our profound satisfaction with the progress of our relations. I expect that my visit will also provide new opportunities for exploring initiatives for strengthening understanding and deepening cooperation between our countries.

In looking forward to our conversations, I affirm my commitment to do my best to make them successful and rewarding. I thank you once again, Mr President, for your warm welcome. [applause] [end recording]

At this time, the two presidents are holding their first official meeting at Miraflores Palace. The results of the meeting will be broadcast tonight during our main broadcast.

FURTHER ON VISIT OF PERUVIAN PRESIDENT GARCIA

Comments Upon Arrival

PA240357 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 24 Mar 87

[Text] Peruvian President Alan Garcia arrived in Mexico City a few moments ago. In a short press conference, he said that no country can face imperialism by itself, but the fact that various postures regarding the foreign debt have been taken does not weaken Latin America.

He also said that no one is scared any more by U.S. military exercises because the continent is more and more united and stronger. Threats are only paper tigers that vanish from the scene.

Tomorrow, Garcia will meet with Mexican President Miguel de la Madrid.

Meets With De la Madrid

PA242225 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 24 Mar 87

[Report by Humberto Mares Navarro]

[Text] This morning, Mexican President Miguel de la Madrid said that the search for Latin American integration should be a tenacious endeavor pursued at once with a sense of responsibility. During the ceremony to welcome Peruvian President Alan Garcia at the National Palace, President de la Madrid added that Latin American integration should not be expected to be something inevitable and automatic. Instead, it is a daily struggle and endeavor.

[Begin De la Madrid recording] Achieving Latin American integration involves forsaking the false notion that we must start from identical societies. This notion is not only wrong but dangerous, as we could succumb to the temptation of doing away with the essential and distinctive idiosyncracies of our people in the search for our identity. Worse yet, we could sacrifice the richness of our pluralism by the intolerant imposition of models foreign to our own Latin American essence. [end recording]

Peruvian President Alan Garcia said that only a Latin American society built on moral ideals and foundations will be able to abandon the model of consumerism and materialism.

[Begin Garcia recording] When we demand to not have ideological and political mentors, when we want no ideological or economic guidelines ruling our economies, we are not only thinking about the present. Instead, we feel the rebirth of the immense force of that Latin American revolution that had its initial momentum here. [end recording]

Following the welcoming ceremony, President Alan Garcia reviewed the honor guard of the Presidential Palace. The leaders greeted their presidential retinues. A few minutes later, the presidents walked down the halls of the National Palace to see the Diego Rivera murals and the old legislative chamber. Then they held their first meeting.

Addresses Legislators

PA242249 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 24 Mar 87

[Report by Emma Galvan from the Chamber of Deputies -- live]

[Text] A few minutes ago, Peruvian President Alan Garcia said that we must not let bankers legislate laws for the people. The new conquerors of Latin American peoples are those bringing foreign credit. He spoke before the Permanent Commission of the National Congress. Garcia noted that when we understand that the peoples are entitled to be the masters of their own destiny, we will then take the sword of decision [as heard] to destroy those who are beating us with the despicable club of the foreign debt.

The Peruvian president said: We are going to make a revolution; not a Mexican or Peruvian revolution, but a Latin American revolution. He told Mexican legislators that democracy cannot be understood without respect for the will of the people. He said: Democracy is to legislate for and with the people. Democracy is criticism, liberty, and, basically, justice.

Alan Garcia said that in a true democracy there are no rules of the economy or letters of intent. In his brilliant speech to Mexican legislators, Alan Garcia said: We are going to remove the cobwebs and paper agreements. We are going to raise the cry for Latin American unity. The meeting in the Legislative Palace, presided over by Senator Antonio Riva Palacio, has just concluded.

GATT DIRECTOR GENERAL BEGINS OFFICIAL VISIT

FL201451 Mexico City NOTIMEX in Spanish 0217 GMT 20 Mar 87

[Text] Mexico City, 19 Mar (NOTIMEX) -- GATT Director General Arthur Dunkel met today in this city with Luis Bravo Aguilera, Mexican under secretary of commerce, and with the intersecretarial group for GATT affairs. The Mexican Secretariat of Commerce and Industrial Development (SECOFI) reported that as part of the director general's official visit to Mexico, a meeting was held to discuss how Mexico, in its capacity as a developing country, can achive effective incorporation into international trade movements through GATT. The progress made in the context of the Uruguay round, which began in September 1986, was also discussed. Representatives of the Mexican Under Secretariat for Foreign Trade and officials of the Secretariats of Foreign Relations, Finance and Public Credit, and Energy, Mines, and Parastate Industries also participated in the meeting. The Mexican group requested technical assistance in the preparation of studies and seminars in international trade and services, and to help train Mexicans who will participate in multilateral negotiations. During the meeting the need to deal separately with merchandise negotiations and service negotiations within GATT was stressed.

It was reported that Dunkel and Bravo Aguilera agreed that Mexico's contributions to GATT's oversight agency have been a vital part of the efforts to oversee the process to suspend measures that are incompatible with GATT provisions. The discriminatory tax that the United States is applying to oil imports and the organization of markets were discussed in this context.

ANTIDRUG AGREEMENT SIGNED WITH COSTA RICA

PA200030 Panama City LA REPUBLICA in Spanish 18 Mar 87 p 4

[Editorial: "Costa Rican-Panamanian Agreement"]

[Text] The Defense Forces' efficiency in repressing drug trafficking has been discussed for some time, to the point that our country has been described as a wall concerning countries in the south.

Following a meeting between Panamanian President Eric Arturo Delvalle and Costa Rican President Oscasr Arias, an agreement has been signed by Colonel Oscar Barrantes, chief of the Narcotics Section of the Costa Rican Public Security Ministry, and Major Nivaldo Madrinan, director of the National Department of Investigations of the Defense Forces of Panama. The agreement states that the appropriate measures will be taken to stop drug trafficking between the two countries.

The agreement also states that drug trafficking is an international crime which affects all countries alike, in that the actions are carried out in different territorial jurisdictions; and the border areas which divide the states represent vulnerable areas, which are favored by the drug traffickers. Consequently, they agreed to join efforts in security and control operations at the border area between the two countries.

Therefore, the two countries have agreed on a number of measures to stop drug trafficking in Paso Canoas and Guabito, where joint operations will be carried out to abolish drugs; locate areas where the drug is planted; and -- above all -- exchange intelligence information about drugs in the border area.

The two countries will also undertake joint programs to control drugs at the border posts and access roads. Lastly, they will carry out joint antidrug training programs for the antidrug units posted at the border area.

This is another example of the two countries' action to continue the struggle against drug trafficking in bordering nations: Panama, Costa Rica, and Colombia.

RESOLUTION CONDEMNING U.S. 'MEDDLING' FAILS

PA211943 Panama City CRITICA in Spanish 20 Mar 87 p 47

[From the "Parliamentarian Information" column]

[Text] A resolution condemning U.S. meddling in Panama's internal affairs, which was presented by Honorable Representative Luis Gomez, did not obtain the votes needed for its approval. The resolution emphatically rejects mechanisms of economic blackmail against our country, employed because it advocates an independent and dignified position.

EL SALVADOR

VENCEREMOS ON CHRISTIAN DEMOCRATIC 'CRISIS'

PA242209 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 24 Mar 87

[Station commentary: "Inside the Christian Democratic Party"]

[Text] The deep political crisis which is shaking the foundations of the system of exploitation in our country, which is shown by the confrontation between the Christian Democratic Party [PDC] and the traditional oligarchy, separately affects each of the bourgeois forces. The internal crisis which is most rapidly getting worse is that of the PDC.

There are four basic factors that have produced and worsened the Christian Democratic crisis. They are: 1) the government's economic policy; 2) the policy of dialogue and the social pact; 3) the PDC's dependence on the U.S. Embassy; and 4) the large amount of scandalous corruption.

Initially, three sectors existed within the PDC. Those sectors were the clique [argolla] whose visible head is [Julio Adolfo] Rey Prendes. This group is currently the one closest to Napoleon Duarte. A second sector was headed by Fidel Chavez Mena, and a third sector, grouped by Morales Ehrlich -- who in political circles is viewed as a poor fool -- has been yielding to the sector led by Fidel Chavez Mena.

The erosion of the counterinsurgency plan designed by the North Americans and implemented by Christian Democracy has in turn led to the deep erosion, in all aspects, of the PDC, particularly of Napoleon Duarte. As a result, the disagreements inside the PDC have gone from being disagreements of form to disagreements of substance.

In order to resolve the crisis within the PDC and improve the party's image among all sectors, the idea of displacing the clique and Napoleon Duarte from power and of promoting Fidel Chavez Mena and his group is gaining strength. Chavez Mena, who is considered to be acceptable by some sectors of the oligarchy and the U.S. Embassy and, therefore, the Army, would arrive in power with the objectives of reactivating the economy, creating some margin of political independence from the U.S. Government by seeking the support of the EEC, making corruption less scandalous, and giving new shape to the policy of dialogue with the FMLN and to the policy of the social pact.

Those who think Fidel Chavez Mena would be an alternative to resolving the internal crisis of the PDC and even to the country's political-structural crisis must ask themselves what would happen with the possible elevation to power of Chavez Mena and his group. (?Let us see). First of all, the objective of economic reactivation and seeking margins of independence from the North Americans requires much more than just a desire Economic reactivation -- this seems to be forgotten -- is a problem linked to the war. As the revolutionary war advances, the structural economic crisis tends to worsen. In order to reactivate the economy, the war with the FMLN must be won. One must ask Chavez Mena how he plans to achieve this. Another means of reactivating the economy would be to seek an agreement with the FMLN. This would mean discussing the problem of power with the FMLN, but this is unacceptable to the oligarchy and U.S. imperialism. How would Chavez Mena ask for more political space from the U.S. Embassy when the North Americans have bought the right to impose their policies on our country at a cost of nearly $3 billion?

How is Chavez Mena going to act towards the popular sectors and the policy of dialogue when his political logic makes him call for reforms but his economic logic pushes him toward a pro-oligarchic system? What miraculous formula is Chavez Mena going to implement to prevent corruption, assuming that is his intention. Corruption is an issue that has not been touched on. Instead, it has been turned into an institution with the PDC. The only way to prevent it is to eliminate those who are corrupt, but that would mean to [words indistinct] and dissolve the PDC.

These issues that Chavez Mena would have to resolve are three basic political problems which Napoleon Duarte, who is considered the most skillful PDC politician, has already confronted in one way or another. Napoleon Duarte has evidently failed. More than a politician, Fidel Chavez Mena is a technocrat with a record that shows he is a good employee of the oligarchy. However, if the government, in a situation of structural crisis and with a complex revolutionary war, is not [words indistinct]. Nevertheless, the reality is that Chavez Mena and his group have at least achieved a balance of forces with the clique. This means that the confrontation in the PDC between Rey Prendes and Chavez Mena will not be resolved as on the previous occasion with the yielding of (?Chavez Mena) because today, as we have pointed out, there is [words indistinct]. Neither of the two sectors will want to yield to the other, especially because the disagreements are ones of substance. What is coming is not a resolution but a worsening of the PDC internal crisis of the bourgeois crisis in general.

One must not forget that the PDC is not an isolated force, and that there are other factors outside the realm of the PDC and the bourgeois forces which are fueling that crisis. It is precisely those factors which [words indistinct]. Any reshuffle creates expectations among some nonreactionary sectors. Perhaps it is thought the FMLN will adopt a wait-and-see attitude following a reshuffle in the government. We must make it clear that the FMLN is not going to expand its margins of negotiation just because there is a change of faces and names in the U.S.-Christian Democratic counterinsurgency plan. As the oligarchy and the PDC [words indistinct] how to best defend the system of exploitation, the government and the PDC [words indistinct] how to best promote the U.S. counterinsurgency plan. The FMLN has clearly stated that elections are not the solution to the national crisis. The solution to the crisis is not found in the electoral framework or in a reshuffle. For the sectors -- even those within the PDC -- which are interested in a solution of the national crisis, the FMLN has made a serious and realistic political offer.

VENCEREMOS ON DETENTION OF U.S. CITIZENS

PA241257 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 22 Mar 87

[Station commentary]

[Text] The 16 [as heard] U.S. citizens who came to our country to participate in ceremonies marking the 7th anniversary of the murder of Msgr Oscar Arnulfo Romero were detained at the Comalapa International Airport. They were threatened with deportation to the United States. Salvadoran immigration officials said that these 16 [as heard] U.S. citizens, that is, 16 students, a Protestant pastor, and a Stanford University professor were detained and will be deported. This measure was taken in reciprocity with the U.S. Government for what is happening to Salvadorans who are in the United States illegally. The officials added that the U.S. citizens did not have their documents in order.

Apparently, the Christian Democratic [PDC] regime attempts to cloak itself with false dignity in the face of the humiliation which thousands of our compatriots experience in the United States. However, that is not the case. The expulsion of the U.S. citizens in Comalapa is not an act of reciprocity for U.S. immigration policy regarding Salvadorans. (?deep down) this is an act of repression against a group of representatives of the U.S. people opposed to the warmongering policies of their government.

We are sure the order to detain the U.S. citizens at the airport came from the U.S. Embassy in San Salvador. In this respect, instead of behaving with dignity the airport police [words indistinct] the U.S. police that represses citizens who are opposed to the policies of the Reagan administration and does not respect civil rights. If the PDC dictatorship truly wants to receive a gesture of dignity regarding the humiliating U.S. immigration policies, it must expel from the country the more than 100 military advisers and CIA who are in military garrisons and brigades teaching our youths how to murder their own people. The PDC would show dignity, if it decided to cut the strings that maintain it as Washington's puppet regime. Of course, that will not happen because the U.S. Government is the only support the Duarte dictatorship has. For that reason it accepts that our compatriots [words indistinct] in the United States while the U.S. officers teach the scorched earth tactic and indiscriminate bombings in our country.

[Words indistinct] Duarte refers to the U.S. Government as a friend. Instead it should [words indistinct]. While U.S. [word indistinct] launched by U.S. airplanes are [words indistinct] in our country, 16 citizens who came to participate in the ceremonies marking the murder of Msgr Romero, a great man who fought for peace, are threatened with deportation. While the government [words indistinct] Salvadoran refugees, the Duarte regime deports U.S. citizens who fight for the rights of Salvadorans in the United States.

DUARTE ANNOUNCES NEW AGRICULTURAL INTEREST RATES

PA241431 San Salvador Canal Doce Television in Spanish 0300 GMT 21 Mar 87

[Report by Mario Antonio Guevara]

[Excerpts] [Passage omitted] In Cabanas Department on Friday, President Duarte announced a 2-percent reduction on the loans for the cultivation of basic grains. The new rate was set at 13 percent and will be valid as of 1 April.

That reduction is part of an economic program approved by the cabinet last night, President Duarte said. The announcement was made in Guacotecti near Sensuntepeque, when approximately 260 community centers were inaugurated by President Duarte, the president of the National Assembly, and several ministers throughout Cabanas Department.

[Begin Duarte recording] In addition, as of 1 April we are going to lower interest on loans for other agricultural sectors of this country, not only for basic grains, but for all of the country's agricultural sectors, which are paying a 17-percent interest rate. Now, with the 2-percent reduction, they will only pay a 15-percent interest rate on loans for coffee, cotton, sesame seed, sugarcane and for the country's other agricultural products.

We have built houses that cost up to 40,000 colones. They have benefited approximately 300,000 Salvadoran families. Those families will also enjoy a 2-percent reduction in their mortgage interest rates as of 1 Arpil.

Finally, as a step to support the industrial exportation process, we will implement a 2-percent reduction to the already subsidized interests for the purchase of raw materials for exportation and for preexportation loans. [end recording]

Duarte also announced the government's willingness to buy the entire coffee crop and the delivery of an advance payment for that purchase to the coffee producers, so they can pay off their agricultural loans. [passage omitted]

RIVERA ON VIOLENCE, ROMERO'S DEATH ANNIVERSARY

PA241836 Panama City ACAN in Spanish 2321 GMT 22 Mar 87

[Text] San Salvador, 22 Mar (ACAN-EFE) -- Today Archbishop Aurturo Rivera y Damas said the acts of violence that could lead to a generalized war are "depressing." At the end of his Sunday mass, Archbishop Rivera told the press: "What I am interested in is stopping all of this before it is too late, and avoiding a return to previous levels of violence." The prelate talked about this week's violent actions, such as the attack on the house of the Legislative Assembly president, Christian Democrat Guillermo Guevara Lacayo; and the bomb placed at a church warehouse, where medicine and food for the war displaced people are kept. No casualties resulted from the two attacks, "but they could be a portent for greater levels of violence, which could put an end to the humanization process," Rivera said at the Metropolitan Cathedral.

Archbishop Rivera is one of the main promoters of the dialogue and the negotiations to end the war that began 7 years ago and has resulted in over 60,000 casualties, most of them civilians. The church is working for the humanization process. Its work "has borne fruits" such as the exchanges of prisoners between the government and the guerrilla movement, the release of injured and war wounded people, and the ending of indiscriminate use of violence against the civilian population, the archbishop said. Similarly, Archbishop Rivera talked about the anniversary of the death of Archbishop Oscar Arnulfo Romero, who was killed on 24 March 1980 while he was celebrating a mass at a cancer hospital. Rivera said the only official ceremony to commemorate this anniversary will be a mass at Metropolitan Cathedral next Tuesday, although he refused to talk about the multitudinous marches that workers and peasants have organized for that day. Rivera said: "The laymen can do whatever they please, but the memory of Romero should not be used for purely political purposes."

The National Union of Salvadoran Workers (UNTS), the main antigovernment organization, which claims to have over 250,000 members, has organized a demonstration through San Salvador's main roads. Through the demonstration, UNTS will celebrate the 7th anniversary of the death of the "martyr bishop" and will ask the Christian Democratic government to "find and punish" those who killed him. Workers will come from various areas in San Salvador and meet in front of Romero's tomb.

Until now, the murder of Romero, who was considered the "bishop of the needy," has not been solved, although the authorities say that all investigations have been carried out. The opposition sectors are asking the government not only to clear that murder, but also the murders of those killed during the war.

GUATEMALA

CEREZO PRESENTS MEMORANDUM ON POLITICAL SITUATION

PA201918 Guatemala City Domestic Service in Spanish 0048 GMT 20 Mar 87

[Speech to the nation by President Vinicio Cerezo in Guatemala City -- live]

[Text] Good evening, Guatemalan friends. This may be a truly historic day because I intend to put before you a document entitled Memorandum by the President of Guatemala to the Guatemalan People. The document analyzes our political and economic history of the past few years. However, it does so not from the classic approach of enumerating details and of recounting our tragedies and needs, but by analyzing the strategies that have been adopted in Guatemala to confront and solve problems. In the first part of this document I have not in any way tried to adopt the classic position of criticizing or describing as bad all that has been done in this nation. On the contrary, I am acknowledging that all kinds of efforts have been made to consolidate democracy and to make Guatemala take its proper place in the world, although for some historical reason these efforts and plans have not yielded the results we all expected at those historic moments.

I have also provided a basic criticism of those strategies. The criticism is not aimed at the people or their methods or ideologies but at an essential element, something I believe is the fundamental appeal contained in this document I am presenting today. The criticism of the strategies is that they did not attempt to solve our differences; they did not attempt to create a feeling of national unity in Guatemala; they did not put us all to work in the search for a single goal; and they did not promote the awareness that either we are all saved or we are all condemned, that each of us is necessary and important, that there is no sector that can be set aside, that there is no unimportant person, that there is no cultural or racial sector that does not have a role to play in the process of economic development and in the creation of well-being, and that it makes no sense to achieve well-being and happiness in our country and then confront one another.

Today I complete 1 year and a few weeks at the head of the government, and in the course of the past year I insisted on a few things I feel are essential to point out. I found a Guatemala with profound and serious problems, although these problems were not created only by governments that had just completed their terms but were an accumulation of many years of difficulties and attrition. They were the accumulation of many problems that were not created by Guatemalans but were the result of a regional and worldwide crisis. Basically, I saw that they were the result of a lack of understanding, of a lack of agreements, of a need for consensus. This was made clear.

Last year we reiterated that we were trying to put things in order, to know exactly what we could count and to know the attitude and disposition of all the sectors on what they wanted to make of Guatemala. I needed to accurately establish how efficient the public administration could be, what degree of international support and solidarity we could achieve, and to what extent we Guatemalans could reach agreements. It is natural when democracies are born, just as when a child is born, for everyone to cry; during the year we made use of our democracy to protest, to purge ourselves of all the things that were limited and controlled in the past. Democracies are usually born after authoritarian governments in which possibilities for expression are very limited, in which the methods of solving problems are those of confrontation, polarization, and violence. In Guatemala this resulted in a definite climate of sadness, sorrow, and -- particularly -- a lack of faith in the future.

During these months and weeks of work, I listened to many people who said many things, such as: Mr President, you are allowing things to get away from you; you must be heavy-handed. Or, Mr President, you are allowing yourself to be insulted, you are allowing others to get involved in your private affairs; you should control this because it shows a lack of respect for the presidency. Or, Mr President, you should work in favor of some sector. Or, Mr President, you should not do this, you should do some other things. Everyone had their own personal points of view. They want things done the way they want them done, but they rarely think of how to do things in a manner favorable to everyone's interests.

How can we make the interests of all sectors agree? How, for example, can we prevent the national budget from growing if the needs are there for everyone to see? How can we avoid a deficit without adding new taxes? How can we increase the salaries of state employees within the budget when we want to decrease the number of state employees? How can we invest when it is argued that there is no confidence to invest in the country? How can we control violence and at the same time dissolve certain repressive organizations? How can we prevent war when there are groups that act against the popular will with regard to violence? How can we agree?

I believe that is why we are currently experiencing a critical moment for the nation. I could have chosen any of these options: I could have decided to act in favor of a certain sector and be against other sectors.

I could have decided to detail one of the people who acted against me; I could have had him arrested to show everyone how to respect, quote, Mr President, unquote. I could have silenced the press, I could have imposed a state of siege, or I could have had someone killed as was done in the past. However, we decided not to do any of these things. Instead, we decided to come here and once again stress the need for unity and to present a number of basic and specific objectives to be able to attend to at least one of the just demands made to this government.

What path are we going to follow? What are the main characteristics of this government? What are its goals? In what direction is it heading? What are the points of coincidence? This year, my dear friends, we have concluded that this government is a transition government. However, it is not only a transition government between a military government and a civilian government. That is too simple. It is more than that. It is a transition government from a divided, authoritarian, contentious, and polarized society to an integrated, participative, united, and truly democratic society. That is what this government is. It is a transition government. Therefore, we have the historic duty to begin a process of social, legislative,and institutional reforms, but not in the fashion of the officials of yesteryear who changed everything and rejected all the old things on the assumption that everything that is old is bad, and vice versa. We must select what things need to be changed and convince the others of this. However, we must start from the basis that what we must change is the way things are done. We will not confront each other but try to agree among ourselves. I think that we can reach an agreement, and that is the basic message of the memorandum.

Of course, we propose objectives. As I have always said, one thing must be clear: The people elected us so that we would propose objectives based on a national plan we presented to the nation. The people did not elect other people, other plans, or another style. They elected us, the Christian Democrats. Therefore, it is our responsibility to conduct the nation, but, of course, in agreement with all the Guatemalan people. The electoral campaign is over. It will begin again in 1990 or in 1989, but it is over for now, and this must be clear to everyone.

There are some who have been unable to forget about the electoral campaign syndrome. They continue to act as if the nation did not need to be built, as if democracy were not something that has to be made or forged, but rather, as if it is something we inherited from the past. That is not true. The democracy we are now beginning to have is a democracy that stems from the suffering, efforts, and hopes of all of us -- that is, of all the people, all sectors, namely, the private and labor sectors -- from political actions, and from the political, military, and church sectors; from all of us! All of us hoped that this process would be the beginning of the new Guatemala we are hoping for.

Therefore, today we are going to state this in a document -- you will get a written copy of it at the end of this speech. Think about it, read it, discuss it. Read and discuss it not only in terms of the interests of your own associations, or your own company, or your own person, but also in terms of the nation we are tasked with building today. We are going to mention some general aspects of what I think should be the redefining of the national task to build and consolidate democracy. I would say that this is like changing course. To date, we have had a traditional society. It gave rise to everything that happened in the past. Last year, the process worked to save some things so we would not continue falling. We were moving towards an abyss. We were going downhill toward disaster or perhaps toward war or a major economic crisis. Therefore, we should not forget what we were going through only a few years ago and what we were suffering barely 2 years ago. When we criticize the government, we should not do anything to make people believe that all the problems that should have been solved have not been solved; I never pledged to solve the problems in 1 year. Instead, we must try to create the impression that we are all working to save us all, because that is the fundamental thing.

What then are the goals of my government as of today? The fundamental goal -- which is everyone's goal if we truly want to be a transition phase -- is to consolidate democracy, an integral democracy. Integral democracy means a democracy that solves basic economic problems. Integral democracy means a democracy that endows institutions with trust. Therefore, we must bring credit to our institutions instead of discrediting them for no reason. It means a democracy that is part of the government, that provides a modern bureaucracy to serve the interests of the people, and that has relations with the countries with which it has to have relations without prejudice or problems and with confidence in ourselves.

If we are democrats and if we are sure of what we want and of what we are going to do, why should we be afraid of having relations with others?

In sum, an integral democracy is a democracy that must care about meeting the fundamental needs of the people. Such needs include the need for security and protection. Therefore, as a result of having the fundamental goal of integral democracy, we must also have integrated development. That is our challenge.

If I were to ask an economist for recommendations on solving Guatemala's problems, he would outline some immediate measures. For example, we should have a single profitable exchange rate; we should reduce this or do that, increase exports, reduce imports, cut down on the fiscal budget, prevent further bureaucratization, and so forth.

What about the people, however? What about the needs of the population? What about the displaced people and those who are dying from hunger? What happens to the workers' salaries? They produce inflation. Then how can they eat? What should we do so inflation will not affect others? What do we do with the unemployed? What are we going to do with the Guatemalan children? Of each 100 people who die each year, 44 are children under 5 who die from malnutrition. We must do something.

Therefore, development cannot be only in the economic field, as happened in 1970, which was the reason it stopped. It cannot be exclusively social development either, because we would not have the money to pay the social cost. It cannot be only in the international realm. I have been told that we have been successful in the international realm, but have neglected the national realm. That is true, but only to a certain extent. We have gone into the international arena to support the national interest. It is true that there should be overall development.

At the same time we are promoting the conditions for encouraging the activities and development of the private enterprise and of the private economic sectors, we must pay the social debt -- I will talk about this later -- that we have accumulated for years. This debt is not only a matter of money. It is a commitment to all the communities in the interior of the country: the lack of education, health, security, freedom. We can show this in figures too. We have some statistics on this, which you will find in the document. Compared with the rest of Latin America, during the past 10 years we have accumulated approximately 5 billion quetzals of social debt. We have compared ourselves with Latin America, because comparing ourselves with the developed countries in the world would not have made much sense. It would create frustrations and complexes we should not have.

So, development must be an overall process including the economic, social, political fields, because there is no stability without policy, without security, or without social development, and there is no social development, policy, or security without economic development. So we need an overall development.

Next, to achieve a democratic society, we must stop being a divided society as we have been up to now. We have been Indians and Ladinos; military men and civilians; private enterprise and government; unions against private enterprise; private enterprise against unions. This is a divided society: Some are at the top, others at the bottom, others in the middle, others on the sidelines, or still others are elsewhee. Everyday sociologists invent a new term to describe another sector of our divided society.

We must start turning back like an integrated society. We must talk with the political parties, because if we do not have a plural political system we cannot have a real democracy. Let us stop talking about politics as something dirty and shameful. It is true that there were some dirty and shameful politicians. However, just because there might be dishonest people does not mean all human activity in itself is dishonet. Instead, it means that there are some humans that are different from others, and they are the exception. We should establish a political party system, and to do this we should carry out a list of activities I detail in this document. We should integrate the government as I explained before and modernize the administration. But more than modernize it from the technical standpoint -- and this is a message I send to all my friends who work with me in the government -- we should instill in all government workers a sense of service to the people. We are employees of the Guatemalan people. We earn money because Guatemalans pay taxes.

I can recall when I was a lawyer going to a government office and being treated as if the person there was the owner of the country, as if it were a favor to wait on me. That must change. We are workers at the service of the country. We need a service mentality; the country's number one priority should be to serve, and not the individual right of each workers. As individuals we have rights that should be respected, but the emphasis should be to place my administration at the service of Guatemala's objectives.

Lastly, we must reevaluate our international position. Friends, you probably recall when I spoke of having to go outside, to other parts of the world, to speak of the greatness of Guatemala. I cannot remember who -- there are things I prefer not to remember -- but someone asked why I was doing this, because Guatemala was a small country that was not worth the trouble. How were we going to try and make a country great that was not great anywhere? That is not true. Guatemala is great. It comes from an especially great origin. It is well located geographically, in addition to having a great culture that gives us reason to be proud of being Guatemalan. From any origin -- white, mestizo, or Indian -- anyone has reason to feel proud of being Guatemala. The most important thing about Guatemala is its Guatemalanness -- all of us, in this deep mixture. Therefore, we must reevaluate Guatemala's position. Everyone would tell me that it was impossible for a little country like Guatemala to uphold a position of active neutrality. Not only have we kept it up, we have reevaluated it and given it meaning. At this moment Guatemala is taken into account in regional peace discussions. We are therefore definitely contributing to the region's peace. We have lived through experiences but can face them if we establish these objectives. In addition we should promote the people's participation -- everyone's participation in decisions. This is why we are going to introduce a new way of doing things in the government. You are going to find the traditional organization that was the one that preceded us, and you are going to find two types of organizations [corrects himself] three types of newer organizations that we are proposing so everyone can integrate.

Last year we began conducting some experiments, and we have obtained some interesting results. There is a land commission made up of private individuals, so you can see we are working in good faith. There is an export commission, which is made up by the private and public sectors.

This way we are trying to promote the idea of everyone's participation, which will also be promoted at the lowest levels of society and in the interior of the country. Lastly, we feel we should promote confidence in the government. This is most important.

You have a right to try to destroy me with criticism, a right to attack the government -- I have no problem with that. I am a person with endless patience. It will be very difficult for someone to make me lose my sense of democratization and democracy. Never! I even respect other people's mistakes. However, when the government is criticized, when things that Guatemalans should believe in are criticized, and when faith that we are going to move ahead is destroyed, that hurts me a lot, just as when people say that everything is bad, when it would appear it is fasionable to tell people the bad things that are occurring. It is true there are bad things. There are many bad things! I can assure you and guarantee that there are fewer bad things than only 3 or 4 years ago. We have therefore made a little progress, so what is the big problem?

I remember when I had just been elected, I went to Mexico to talk with a great friend of mine, Mario Montesporte Toledo, a writer who had lived many years away from Guatemala. Mario said: Vinicio, among the many tasks you have, there is one that is most important -- to teach the leaders of the different sectors of Guatemalan society how to be patient. The people lose their patience quickly. You must foster patience and teach them, like the peasants, workers, artists, and people who are used to working to earn things do, that to gain results one must work for many years, untiringly, without complaining, making great efforts everyday to come out ahead. One cannot achieve things by miracles. That bibical stage remained behind in the Old Testament. When Jesus Christ came to this earth, he came to definitely say that things now were under man's responsibility and not under God's. We are on this earth, not in heaven. Miracles cannot be performed here.

If we want to make miracles, we must do it with joint efforts, with participation, and with shared responsibility, thinking of future generations and not only of our own interests.

This is why we propose in this memorandum two types of tasks: the government's task -- what does the government set out to do and what does the government promise to do -- and the tasks of all other sectors.

It has been a fine life through the years. If everything goes wrong, the government is at fault. If everything is mediocre, someone important is responsible. The main thing is: It is someone else, never the government. The trade unions ask us to set salaries by decree against the private enterprises. Whom do they ask this? The government. If these requests are not honored, the government is held responsible. Employers tell us we did not ask them prior to establishing salaries. Because they will have economic problems, they blame the government. They never reach a consensus among themselves. In the democratic states of the world, the trade unions negotiate with employers and discuss their problems without the government interfering in these things.

If a person is killed somewhere, the government is held responsible. There surely will be many groups, a couple of groups that will say it is a political incident because they feel persecuted and like to make headlines. But they do not find out whether it was really a problem of the government. If we ask them to testify against a criminal, however, they decline because, they say, this is the government's responsibility. The government, they say, does not take care of them. If their economic situation is bad, the government is at fault. If taxes cannot be paid, the government is at fault. This is a mistaken approach. We must change the direction of our thoughts. All of us are responsible for this situation.

I can remember that a very short while ago, I heard one of those things that appear in the press sometimes. Some feel they have been offended because I told the truth. The problem of prices is not the government's problem; we freed prices. Now ask the private enterprise why things in Guatemala are so expensive.

There was a member of the private sector who told me I was saying farfetched things against the private sector. But what I said is true. Prices are set by the market in a free economy. We permitted the establishment of free prices; however, because ours is a free market, the prices skyrocketed. But that is not the government's fault.

Thus, you can realize that we all share the responsibility. The private sector cannot be blamed for everything; everything is not the government's fault. It is the fault of the general situation we are all experiencing. Therefore, if we are all affected by this general situation, we must all expect to face it. Everyone should have his own responsibility. It is beautiful at all levels. [sentence as heard] It is so in the government.

Why does the government not solve this problem? Because the president does not want to. Who made this charge? The president. Some times it is not true, but the president is blamed for everything.

There is an attitude in Guatemala of not assuming our responsibility. Consequently, what is stated in the memorandum is a call for everyone to assume the responsibility for building democracy.

That was our campaign slogan, and it continues to be our slogan. There can be no democracy without the responsible participation of all the country's sectors.

What are the government's tasks? The officials and the government's political leaders are responsible for coordinating the national effort and setting the course. They are responsible for being honest, working constantly, working more, and complaining less. We are responsible for giving more to the people and asking less of them. These are the officials' task. They must use the people's money to benefit the people's interests. They must talk with all sectors to ask them to help the government's effort to cooperate. We must expand the private sector. The private sector and the workers must work together and serve for the good of the Republic.

The government's task is to provide services and find resources to provide these services -- education, security, health, and others that we will list. But how will we work? This is an interesting question, which you will find in the document. We explain the present organization and the organization that we want to achieve. This is how we will implement a formula different from the previous ones. I am saying nothing new in all this.

No political or business leader can create something out of nothing in Guatemala. Certain formulas will have to be implemented. We have spoken about several forms of organization. One of them will be the traditional one: the direct chain of command. It is the organization that the government has from the top down, from the ministries to the people. It is slow. It needs changes, and the changes will take many years. The attempts by previous governments have been to reform the administration. But the 5-year term is up and you are still trying to reform the administration. When the next government takes over, a new reform of the administration is started, and it becomes a never-ending job.

We will begin a process that we hope will be continued by others. To solve emergency problems, we will have a horizontal organization system. It will include all the people and will be based on cooperation and consensus. We are going to organize commissions or support groups or, as certain private or military sectors call them, task forces. They will be made up of government officials and representatives from the private sector. A person who will be responsible for the operation will be appointed, and he will try to push the emergency operation along.

Several ministries and state agencies have an organization to support one another. There is also a people's traditional organization that goes from bottom to top that will become evident in the organization of the nation's development councils. Of course, within the government, the workers' responsibility and the devotion to duty, which we already mentioned, will also become evident. The nongovernment sector also has a task. I would like to mention one part of this sector: the businessmen. They have a task, too. They have the task of making Guatemala an economically modern country.

Some will tell me: Vinicio, of course we understand the businessmen's task, but we need a climate of trust. Well, there is no such climate. How are we going to have a climate of trust if we are building the nation? The government has spent a year showing that it wants to walk in a single direction. Of course there are problems, anarchy, and many demonstrations. Where are we going to get this climate of trust from? Even if we had the dollars, we could not import a climate of trust.

Trust can be established in the nation by carrying out an act of faith and by looking at the actions. Jesus Christ said: "Ye shall know them by their fruits."

We are going to work together, mutually assuming our responsibilities. We all want the climate of trust that must be created. I can tell you this with absolute trust because of a simple reason: I have talked with many businessmen who, I see, are investing in Guatemala again. They have taken risks and are doing things in the nation. Why can't others do that too? What are they afraid of? Why will we not take a risk for the future generations, our children, and the success of Guatemala, where we all live?

You must all be willing to run certain risks. Businessmen always run calculated risks, which is correct. They must also be willing to share some of the benefits Guatemala has had for many years.

Consequently, the workers cannot continue to live in their present situation. If they want flexible rules to establish salary agreements, we will search for them and discuss them. We have specific proposals in the memorandum that we will deliver later on.

But we must be willing to trust in Guatemala and ourselves. We must be willing to share the benefits we will receive.

The workers have the task of being efficient and responsible. We cannot count chickens before they hatch. We began making democratic demands when we did not yet have democracy. We are beginning a democracy; we are building it, one brick on top of the other. The violent acts that occurred in the past few days as a result of common causes, which affected many people, are a specific evidence that the problem is still unsolved.

This year has been the best proof that we are running the risk of repeating certain experiments that failed in the past, because we want to make the same things that were done in the past and that led us to failure.

Guatemala has gone through five attempts to modernize its society, and all of them failed. We have the obligation of being responsible to our people, because it is embarrassing to appear abroad later on like exiles, students, or professionals saying: We tried but the Americans did not let us. That is enough. That is enough crying over spilled milk.

It is not a question of the Americans, the military, or the traditional private enterprise being to blame. We have the obligation to be successful. That is up to us. It is not someone else's problem. That is why the workers and their leaders are asked to be efficient and prudent.

The citizens also have a duty. They must respect the law, and they must trust their government and support their president. How is it that I have been elected and then you leave me alone in the presidency? This is not happening to me, but still I must say it. That cannot be and should not happen. A president is elected for 5 years so he can have 5 years to fulfill his responsibilities. You do not get married and then during the first year, you accuse you wife of being a failure at marriage. That cannot be so. Maybe after 20 years. [laughter, applause]

Therefore, friends, we have to trust and we have to work. After 4 [as heard] years, democracy has a very serious and normal mechanism to punish the party or president who has not fulfilled his responsibility: to vote for another party. If the party has fulfilled its responsibility, the voters will vote for the same party. That is democracy.

I was talking one day with a friend and one of my military advisers; I was telling them that one of the big mistakes in Latin America was having ousted Allende in Chile. This very minute you are going to say: See, Christian Democracy is communist. No, do you know why? Because if Allende had gone to elections, he would have lost them because he had failed in the government. If he would not turn over power after the elections, a coup d'etat could have been staged then, but not before. Presidents must first be permitted to end their term. Democracy means allowing the people to fulfill their responsibility. There are mechanisms to review, control, supervise, and correct the course. I was told that someone was saying that a coup could be promoted. Whom do they think they own? The country cannot withstand such irresponsibility. Thank God those ideas have not even begun to be discussed in the Army. If one party has been responsible for this democratization process and its consolidation, it has been the Army. However, there are people who still want to stage a coup, and the worst thing is that they are people who have been displaced by the people and elections or by their irresponsibility in past governments. This cannot be so. We have to issue an appeal for the responsibility that everyone has to consolidate democracy to give it the opportunity to be successful.

That is why this government is crucial. It is not because I want to come out well from here. No, I want to stay well in Guatemala. The problem is that if I am not successful, we all fail; if I am successful, we all come out well even if afterward another political party wins, because that is democracy.

Therefore, everyone has a responsibility. That is why the citizens have the responsibility to respect the law and to have confidence in the government until it shows it can or cannot do its job. The Constitution and the people give us 5 years to do it. The third duty is to support your president. Some friends have deserted me, and that is not proper. This should not be so. The person to whom responsibility has been given must be supported. If responsibility is given to him, he is given the right to make decisions.

This is also why I want to tell the press that it has the obligation to report the truth, because we have found some unfortunate cases. I am not complaining because I am being criticized -- of course not. I enjoy the criticism, but I am motivated by criticism. I am deeply democratic, but we cannot permit in the morning a headline saying that there are land invasions everywhere, and then in the afternoon there is another headline saying that there are none. Thank God, and I mention this publication because of its responsibility: The publication, PRENSA LIBRE, in an article and in its editorial, admitted the error. That is why I say this is serious. It admitted an error that had to be corrected. We cannot continue to be untruthful. Why? Because the president does not like it? No, sir, because the lack of truth creates a lack of confidence in ourselves and in the future.

Because there is still uncertainty in this country, there was a headlined report saying that coffee was not going to remain at its previous price, and then the price of the dollar went up. There was a rumor and a report was published in December that the president was amassing dollars to leave Guatemala, and then the price of the dollar went up. We cannot act this way with a country that is highly sensitive to uncertainty about the future. We must begin -- and those of us here are the country's leaders -- to create confidence.

Is Vinicio going to look better because of this? I am not going to compete with any other candidate for the presidency. I am the president. I already passed through all that. There is no reason why I have to stop now and see if I am better or nicer than another candidate. I am already here. [laughter, applause]

Therefore, friends, let us present to you this memorandum. The memorandum has three interesting aspects: First, there is the one I have mentioned: an appeal for joint responsibility and, therefore, for the search for a new strategy to redirect the nation's course. For this, we are proposing a type of organization that is simple but will make things more efficient. The second aspect is a work plan.

The first memorandum has only listed all the issues so you can read them. Immediately thereafter, 8 days later, each sector will receive a complete memorandum, with the details of each of the activities. We have decided to work out the memorandum in the following manner:

First, we have defined a general goal, which is to consolidate democracy. The second goal... [changes thought] the first goal is basic, to consolidate democracy. Then, there are general goals, the ones I have mentioned. Later, come the specific goals of each of the general goals. Then later, we have established the goals for this year and the programs to be carried out. There is a basic issue here that stems from the definition of the government's role and institutions.

In the government, there are three basic tasks: First, to be a transition government, which means we have to work and prepare a long-range plan. In other words, we have to prepare things so the next administration will not have the same problem we have, which is spending 1 year to put things in order. We must leave everything in order, regardless of the administration that follows and of its political trend. That administration must find an orderly system so it can operate. After five or six administrations we will have a modern society.

The second thing the administration does is implement the medium-range program. In other words, we plan for the 4 years left of the 5 years of the administration. In that medium term we have proposed the work plan that you will see listed.

The third thing we have to do is what is needed immediately, the emergency, which has been brought up by all sectors of the population. They are absolutely right. These urgent matters are employment, cost of living, and therefore the supply of products and security.

Within these urgent matters, there are nine necessary projects to be carried out this year. All of this is mentioned in detail in the memorandum.

The first project is water. We plan to begin a medium-range program in joint agreement with each of the municipalities that will meet the Guatemalan population's needs for water. This year we plan to meet the needs for potable water of 100 communities in the interior. We also plan to establish a land irrigation program in this first year that will benefit 42,000 hectares of land. That is listed in detail in the document you will receive.

There is also a land program, which you have been hearing about everywhere and which has become one of the subjects that show to what extent Guatemalan society is divided. That is the famous land program. On the one hand, there is a peasant leader who used to be a priest. [laughter, applause]. In all sincerity, I am not saying this to bother him. he is now engaged in a basic task, and he is confronting another sector of private enterprise that is afraid of the priest who is now a peasant. [laughter]

Thus, they have created a situation that leads to insecurity to the point that the other day, somebody came up to me with the following rumor: But look, Mr President, we cannot plant or sow the land, because you people are planning to invade all the lands in March. How can we rule a country that believes all rumors and stories? That is not being serious. True, the people sometimes cannot handle these things. However, the persons who are trained and are at a leadership level -- if they have good faith in the country -- should telephone an Army officer in their community or or some government official and ask them if the word of the president of this nation -- where we are building democracy -- is the word of the law. I am not going to lie to anyone, ever. I never had to lie, and I am not going to do this in the future.

The program we are going to present for distributing land to peasants is in line with a basic need: There is a surplus of manual laborers in the country who must be helped. Naturally, this is going to give rise to certain expectations, but we must promote production to create jobs that will satisfy these expectations. There is much land where we can begin new production programs without affecting the enterprises that are already operating in the country.

However, this will entail another result that is very interesting. If there is a [words indistinct], there will have to be better wages. This is also very important, and I say this will all sincerity, because you say it. That is a project we know has certain limitations: economic, organizational, and, of course, legal limitations. We are going to act within the framework of the Constitution.

We are lucky that the Commission for the Distribution of Land -- which includes some members of the private enterprise who own large and very successfuly farms -- has signed an agreement with the government, a peasant representative, and private enterprise representatives. This agreement lists the conditions for carrying out the land program, and this agreement is being included in the program we are presenting today. However, it is necessary to promote it. Why? Because we must modernize Guatemala. If we do not initiate programs of this nature, there is something that could happen that nobody wants to talk about, but everyone knows it could happen. If the peasants make the mistake of playing into the hands of those who might provoke them -- thank God that there are very few who want to provoke and that the peasants are very serious -- but if they make the mistake of invading land, there would be a massacre in this country, a tragedy for this country, that we must prevent.

We must confront the problem and not bury our heads like an ostrich. We must just imagine there are no land problems. [sentence as heard] Of course, there are problems, and we must discuss the formulas for solving them. I invite you to discuss these formulas, but without fears, without problems, and without proposing formulas if you are unwilling to cope with them. In other words, we have not faced problems for a long time, but we merely try to evade them.

We speak of highways and secondary roads. Why? Because this country is a country that does not have adequate communications. In addition to building highways and secondary roads to communicate, we are going to create temporary jobs. We speak of housing. We commit ourselves to developing at least 10,000 units of low-cost housing this year. We suggest developing plans that can broaden our capacity with the productive sector of the nation within the next few years. We also propose a plan to ensure adequate food supply.

The problem of the basic family food basket is not just a problem of prices. It is a problem of hunger; it is problem that forces people to eat less all the time. Anything can happen in a country where the people are hungry. One cannot ask a person who cannot even afford a pound of corn not to listen when he is told it is necessary to carry out an armed revolution. If we want to speak to them of peace, we must at least feed them. The program for providing adequate food supply seeks to maintain stable food prices, and that is listed in the document. We must confront the cost of living in joint agreement with the productive and business sectors, but always bearing in mind the needs of the workers.

We have to work to increase exports, because if we do not export we will not have the ability to purchase goods.

We have to work for urban security. Guatemala City has been affected by a crime wave. Our inability to control it is obvious. The worst part is that we have worked very hard to organize our ability to control crime. We have the capacity to do it now. However, we will need the people's contribution so the ability we now possess can be efficiently used.

We must provide health services. Everywhere I go people talk to me about the cost of medicine. Frankly, it is very distressing to see how much speculation there is in medicine. We must control this situation. We cannot keep getting richer at the cost of people's lives. That cannot continue. However, since some people will not understand the need for such control, we will implement measures to reduce the cost of 240 basic products. Such a measure will benefit people in the middle and lower classes and in any other sector needing these products.

We must work to improve our minimum education services. Unless we are able to better prepare people in Guatemala, we will not be able to accomplish the integration we desire.

Therefore, my dear friends, the proposals have been summarized. I do not want to bore you because you will have a visual presentation later on so you can have a clearer picture of what we are talking about.

The memorandum contains the government plan for the next 4 years. With this plan, we intend to work for economic reactivation and to face the country's basic problems with the nine projects we have listed for this year. The result of this new strategy will be the consolidation of democracy, as we have mentioned.

The memorandum provides, if you will, the opportunity to stop and reflect on our chosen path. We have enjoyed democracy for 14 months. We have done everything we wanted to do. Let's sit down to meditate to determine if we can continue along the same path or if we have to change the country's direction. We have proposed in the memorandum to make a stop along our path to review Guatemala's direction. The method is national reorganization. The method will be national reorganization in all senses. You have to help us. The historic challenge is national unity, which is the challenge of all this generation. This is the challenge to which all of you, as leaders in each of your sectors in your communities and institutions, must respond. This challenge is not just for the government -- it is the challenge of national unity so a few years from now, any Guatemalan can say: I am part of this country.

Thank you very much. [applause]

Politicians Express Skepticism

PA231425 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 21 Mar 87

[Text] Different political sectors in Congress expressed skepticism today about the announcement of the 1987-88 project of strategies and development guidelines and the 1987 agenda presented yesterday by President Vinicio Cerezo at a crowded auditorium. Even though not all comments were negative, some opposition legislators, who admitted they had not paid much attention to the document containing the 2-year program, said it will not be effective because it is only a political solution of the government aimed at impressing people.

The 1987-88 project of strategies and development guidelines and the 1987 agenda prepared by the ministerial planning cabinet include eight basic points that the government must face as priorities. They are: housing, roads, water supply, food services, security, land distribution, exports, and health. According to the government, these are the main areas that can reactivate the national economy and make possible the achievement of Guatemalan social stabilization. Politicians have said that it is still too early to give an opinion on the development strategies, and before making any formal statements, they will review the document about which they are already skeptical.

BANK PRESIDENT OUTLINES ECONOMIC PROGRAM

PA192256 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 19 Mar 87

[Text] Federico Linares, the president of the Bank of Guatemala, has talked about priority items. He explained that during the cabinet meeting there were really no discussions of an emergency plan but rather of a 12-month work plan to be implemented in 1987. This measure is to be implemented immediately within the framework of the national reorganization program. Federico Linares listed the most important items, namely, guaranteed food, housing, civil security, drinking water, exports, and other items, in which the Bank of Guatemala and the Monetary Board are closely involved with and actively participate in.

Basically, the Bank of Guatemala president said the work will focus on two areas: economic austerity and improved collection of taxes. Only projects that have domestic and foreign financing will be implemented. According to information provided by Bank of Guatemala President Federico Linares, the programs included in the government's emergency plan will be implemented only with foreign financing and the amounts of the national budget that have already been agreed upon. Of course, urgent, pressing, or unpostponable programs will be implemented, but with foreign credit. The credit will have to be obtained as urgently as the case calls for.

The president of the Bank of Guatemala explained that the IDB and USAID loaned $10 million to handle the housing problem.

BRIEFS

POPPY PLANTS SEIZED -- The treasury police have dealt a harsh blow to drug trafficking in the Guatemalan plains, more specifically on the border with Mexico, where they seized 37,812 poppy plants. [Summary] [Guatemala City EL GRAFICO in Spanish 18 Mar 87 p 5 PA]

NICARAGUA

ORTEGA ON STRENGTHENING DEFENSE MECHANISMS

PA241918 Managua Domestic Service in Spanish 0300 GMT 24 Mar 87

[Text] Nicaraguan President Daniel Ortega, commander of the revolution, today requested the strengthening of military defense mechanisms to repel any armed attack against our country.

President Ortega said that faced with the threat of a U.S. military intervention in our country, the military defense mechanisms have to be strengthened now that the U.S. Army will soon begin new military maneuvers in Honduras.

Similarly, the Nicaraguan president denounced the intentions of the mercenary bands, which have tried to form an internal front in Managua to destabilize the revolutionary government.

President Ortega said that faced with that situation the people are aware that the main thing we have to do is defend the revolution, increase revolutionary surveillance, and make great efforts to guarantee the attainment of production goals.

As long as the Reagan administration maintains its war policy against Nicaragua, we will continue to experience great economic, supply, and material problems, Commander Ortega said.

CRUZ ON WAYS TO WIN FIGHT AGAINST FSLN

PA242102 San Jose RUMBO in Spanish 13-19 Mar 87 p 20

[Article by Ricardo Lizano]

[Text] The "Nicaraguan Resistance," as Arturo Cruz usually calls the anti-Sandinist rebels, will not obtain a military victory unless it has previously won the political battles. This is the opinion of the former Nicaraguan Opposition Unity (UNO) leader, whose recent resignation from that organization surprised even his closest friends.

In an interview with RUMBO, Cruz stated that the rebels should demand from the United States a clear definition of its objectives in Central America and the role that must be played by those who are confronting the Sandinist regime within these objectives.

He is convinced that "the war started too soon," and believes it is one of the factors that has done the most damage to the image and legitimacy of the opposition's cause against the totalitarism of the FSLN. He says: "It would have been preferable to give the FSLN the chance to fry in its own fat."

If the Sandinists had governed without facing an armed resistance, they would have made the same errors they have made since they came to power and would have exposed their true nature to international public opinion. Cruz believes if this had happened, "the sacred right of Nicaraguans to rebel and the U.S. right to support them" would have been more obvious.

Recruiting officers from the former National Guard was made necessary by the early initiation of the armed confrontations. The fact that the militarymen were former National Guardsmen did not make them "improper people," but the fact that their function was entirely military converted them into "field officers" [officiales de abasto] with no political role.

An attempt to fill this gap was made, first by the Nicaraguan Democratic Force (FDN) and later by UNO, headed by Adolofo Calero, Alfonso Robelo and Arturo Cruz. However, it has been impossible to form a single organization to guide the political and military struggle against the FSLN.

Cruz blames an "exclusive clique" that controls the FDN and seeks to control the struggle of the "Nicaraguan resistance." This has prevented the consolidation of a supreme command, which could unite Nicaraguans who want to liberate their country from FSLN control. Cruz has clamored for this objective and the failure to achieve it led to his resignation.

The absence of such a command not only makes the struggle within Nicaragua more difficult, but also prevents "ending the lack of international credibility," which is hurting the "Nicaraguan resistance." When a command of this kind exists, the rebels will be able to carry out their political and military struggles in parallel.

The "exclusive clique" that Arturo Cruz mentions does not understand this and, in addition, does not seem to understand the importance of the political aspect. Cruz said that Nicaraguans must not forget that the fundamental reason for their struggle is to install a democratic regime in their country. He said that political initiatives should not be feared, and stated his support for the peace proposal recently formulated by Costa Rican President Oscar Arias.

Cruz observed that in order to form this single command it is indispensable that radical reforms be made to UNO and a democratic program be formulated. Advances have been made in the latter aspect, he added. In the military aspect, changes must be made to form "one army, united under civilian commanders."

Cruz believes that in parallel with these decisions, Nicaraguans should insist that the North Americans, both Republicans and Democrats, give them a clear definition of what they plan to do in Central America. It is especially necessary to know if the rebels are considered a guerrilla force, "or only a retaining wall within a war of this type."

All these are urgent measures to enable the Nicaraguan struggle to gain support in the world, and especially in Central America. The people and governments in these countries should be persuaded that the resistance is "their alternative to the FSLN in the Nicaraguan conflict."

FSLN'S CARRION ON SPECULATION, CADRES TRAINING

PA241253 Managua BARRICADA in Spanish 22 Mar 87 p 2

[Text] Yesterday Commander of the Revolution Luis Carrion, member of the FSLN Natinal Directorate, urged all of the country's honest sectors to mobilize and counter an exaggerated increase of speculation, "which permeates and is decomposing society."

Carrion opened the 1987 higher social sciences course at the Ricardo Morales Aviles National School by making a presentation of the FSLN plans to organize a coherent cadre training policy this year. He also discussed the serious criminal problems that have begun to emerge as a result of the economic crisis in Nicaragua. He said the phenomenon, which has become a type of social behavior -- which some attempt to justify by citing economic problems -- is seriously obstructing the country's development projects and corrupting the conscience of workers, who are victims of the situation. He also said that the supply situation cannot be improved through safe channels because products are disappearing from factories and warehouses. Productivity cannot be increased at enterprises where workers are stealing objects to sell them.

Carrion recalled that after the revolutionary triumph and to the extent the aggression has increased, disorder in the economy's formal sector is growing and informal trade is increasing. Salaries have not kept up with cost-of-living increases; inflation has risen, and many sectors have begun to speculate on their own work sources.

Citing specific examples in the artisan, peasant, and service sectors, Carrion discussed the changeover of workers into informal businesses and the resulting weakening of national production activities. He said that workers have been the "number one victims" of this situation because they fall prey to speculators, while they are subject to the tension of becoming speculators or merchants to survive. Therefore, he said, while progress is made in countering the speculative trade sector in material terms, "the struggle against the ideology of that sector must be permanent," without giving way to attempts to justify the actions, but instead responding "with utmost energy and discipline. This is the only way to fight it."

"It is hard to accept that we are living in difficult times. That is why we need more firmness and order," Carrion said, urging society to "keep in mind the revolution's higher and strategic interests."

On the FSLN cadres policy he said this year the vanguard is planning special courses to teach dialectics, combining theory and practice. Hundreds of comrades in charge of important political responsibilities need more ideological and cultural education to advance the overall development of Sandinist cadres.

ORTEGA ACCEPTS VIETNAMESE ENVOY'S CREDENTIALS

PA242329 Managua BARRICADA in Spanish 24 Mar 87 p 2

[Text] President Daniel Ortega yesterday met with Comrade Le Duc Cang, who presented the credentials that accredit him as the new extraordinary and plenipotentiary ambassador of the Socialist Republic of Vietnam. Also present at the meeting was Vice Foreign Minister Victor Hugo Tinoco.

Commander Ortega reiterated to the new Vietnamese ambassador the militant solidarity of the Nicaraguan Government and people toward the fatherland of Ho Chi Minh.

The new Vietnamese ambassador acknowledged the just struggle of Sandino's people for their liberty and self-determination. "This people and government support the reasonable and correct position of peace in Nicaragua within the Central American conflict."

We are willing to continue cooperating with Nicaragua to the extent of our capabilities because our revolutions are sisters, and they are struggling against the same enemy: Yankee imperialism.

In conclusion, the ambassador stated that his people's and government's message to Nicaragua is the militant solidarity of the revolutionary peoples struggling against the aggression of imperialism and its regional lackies.

FOREIGN TRADE MINISTER BEGINS VISIT TO USSR

PY242313 Managua BARRICADA in Spanish 24 Mar 87 p 4

[Text] Foreign Trade Minister Alejandro Martinez Cuenca yesterday traveled to the USSR in response to an official invitation from his Soviet counterpart, Boris Aristov, to complete work on the trade agreements between the two countries for the 1988-1989 period.

Martinez Cuenca, who was accompanied by Vice Minister James Zablah, is scheduled to meet with the Soviet transportation minister, the president of the Foreign Trade Bank, and Comrade C. [as published] Kamentsev, president of the State Committee for Foreign Economic Relations and alternate member of the Politburo.

The signing of the trade agreements between the two countries will be within the framework established during the last meeting of the USSR-Nicaragua joint commission in Managua last December.

After the 3-day visit to Moscow, Minister Martinez Cuenca will travel to London, where he will be received by Alexander Beltrao, president of the International Coffee Organization [OIC], whom he will inform of the results of the meeting held by eight Latin American countries last weekend in Managua.

The main achievement of the meeting was an agreement on mechanisms of communication through meetings so that a single Latin American position could be presented to the Executive Commission of the OIC at the next meeting of producing and consuming countries.

ORTEGA MEETS WITH DPRK FOREIGN MINISTER

SK250554 Pyongyang KCNA in English 0528 GMT 25 Mar 87

[Text] Pyongyang March 25 (KCNA) -- Nicaraguan President Daniel Ortega Saavedra on March 20 met Vice-Premier and Foreign Minister Kim Yong-nam.

The foreign minister conveyed regards from President Kim Il-song and Comrade Kim Chong-il to the Nicaraguan president.

President Daniel Ortega Saavedra expressed deep thanks for this and asked the foreign minister to transfer his wholehearted greetings to them.

He said that he would work to continue developing and strengthening the friendly and cooperative relations between Nicaragua and Korea.

He firmly supported all the efforts made by President Kim Il-song and Comrade Kim Chong-il for socialist construction and national reunification, and resolutely rejected the enemy's splittist moves.

If the DPRK's proposal to have the Olympics co-hosted is not realized, Nicaragua would boycott the 24th International Olympic Games, as she has clarified her determined stand on many occasions, he stressed.

The conversation took place in a friendly atmosphere.

RAMIREZ ADDRESSES ECONOMY MINISTERS MEETING

PA150146 Managua Domestic Service in Spanish 0300 GMT 14 Mar 87

[Text] This afternoon Nicaraguan Vice President Dr Sergio Ramirez addressed the closure of the 38th meeting of Central American economy ministers. Dr Ramirez said that the abrupt drop in coffee prices has brought a new crisis upon the Central American region, which will negatively affect our economy, capacity to pay the foreign debt, import capacity, and trade balance.

He also said that Nicaragua is willing to support all the joint measures that the Central American governments decide to adopt to minimize the coffee market [as heard]. He also referred to the willingness to assume joint positions against the London council and thus to try to restore price levels that may respond to our current economic needs.

Nicaraguan Vice President Sergio Ramirez also referred to the willingness to carry out all the necessary steps to quickly consolidate peace in Central America. Referring to this, he said that the Nicaraguan Government continues to advocate acceptance of the Guatemalan Government's invitation to the presidential summit that will be held in the next few months at Esquipulas.

CASTRO INTERVIEWED BY BRAZILIAN WEEKLY VEJA

FL172034 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Mar 87

[Text] Nowadays, Latin America is different from that of the 1960's because it is no longer dragged along by the United States, Commander in Chief Fidel Castro has said during an interview with the Brazilian weekly VEJA. Times change, Castro noted, and Latin American politicians notice this. In this regard, he mentioned the current experience of the Nicaraguan revolution vis-a-vis the U.S. government's hostility.

Castro termed the step taken by Brazil to suspend indefinitely the payment on its foreign debt as historic. He said that it was a strong and brave step aimed at making the interests of the country prevail over everything else. No one is talking any longer about paying the debt. Now the issue is the interest and many countries cannot even pay that. Castro said that Latin America paid $131 billion to its creditors between 1982 and 1986, in payment for debt interest and service alone.

Castro mentioned among other reasons for the accumulation of a Latin American foreign debt in excess of $1 trillion, the protectionist policies of the developed countries, the manipulation of the dollar by the United States, and the unequal terms of exchange.

Castro accused the big capitalist powers of having created wealth at the expense of colonial exploitation during centuries in the Third World.

CARLOS RAFAEL RODRIGUEZ ON FOREIGN DEBT

FL242035 Havana Tele-Rebelde Network in Spanish 0100 GMT 24 Mar 87

[Interview with Vice President Carlos Rafael Rodriguez by Pedro Martinez Pirez on the "Wide Angle" program; date not given]

[Text] [Martinez] Dr Rodriguez, first I would like to hear your opinion regarding the differences between the Cuban foreign debt, as described by Hector Rodriguez Llompart, and the Third World foreign debt.

[Rodriguez] The characteristics of the Cuban foreign debt are quite different from those of the Third World debt. During an event in honor of Raul Prebisch a few days ago at the University of Havana, I repeated a few words [words indistinct] in which he said that the foreign debt was a shameful link between governments and banks. These words do not apply to Cuba. Cuba requested those loans with the purpose of developing our country, not like other countries where a large part of the foreign debt ended up in the pockets of leaders, military tyrants, or groups in power. Many of these governments have been forced to relinquish power; however, the loan continues to burden their countries.

We may have made our mistakes during the implementation of some of the plans for which we requested foreign financing or free convertible currency. However, our plans were not mistakes. We have experienced problems. Fidel pointed out some of those problems to us. Therefore, it is only natural that some of the problems should be reflected in the implementation of the plans for which we requested foreign financing. But in general, the loans were requested with development in mind.

Second, the Cuban foreign debt was contracted with banks that did not come to Cuba solely for business purposes. I do not mean to say that they did not come here to do business. Those banks, even capitalist banks that we cannot describe as friends of Cuba but as friends of the United States, fought U.S. economic and political pressure and did not yield. They continued to lend us money; they continued to finance us. This is something that we must remember. This represents a moral element which is different from the immoral element that distinguishes the foreign debt of most countries.

Third, our foreign debt was contracted with countries that cannot be described as fully developed countries or as countries where capitalism has reached its final phase. I am speaking of countries like Spain, Argentina, and I would also include Mexico. More than half of the Cuban foreign debt is owed to Spanish, Argentine, and Mexican Government banks. These three elements clearly distinguish the characteristics of our foreign debt and explain why our country, a country that has denounced the foreign debt and that has said that the foreign debt is unpayable, continues to strive to meet its international commitments.

[Martinez] Dr Rodriguez, is there a possibility that Cuba may have to declare a moratorium?

[Rodriguez] We are trying to avoid declaring a moratorium. However, we have told the private banks that we need fresh money to pay off the interest on our debt. Because of the hundreds of millions of dollars we have lost as a result of the devaluation of the currency, the drop in the price of oil, and the situation confronted by the Cuban sugar industry -- as you know our sugar crop suffered the effects of Hurricane Kate and the drought -- we are not in a situation to meet all the commitments we have made. For some time now we have been negotiating with the banks to get fresh money to meet our debt payments. These negotiations are coming to an end now. In order to cover our country's needs we have postponed the payment of the debt. However, these are not recently contracted debts.

[Martinez] Dr Rodriguez, what could force Cuba to change its current indebtedness?

[Rodriguez] I would like to be optimistic. However, what we can see is more negative than positive. We all know that there has been a slight change in the price of sugar. A few months ago sugar was selling at 5 or 6 cents and today's price is somewhere between 7 and 8 cents. All this means is that the current price of sugar gives us less purchasing power than we had back in 1931, 1932, and 1933, when we had to sell sugar to the United States at half a cent per pound because of the international price of sugar and the Hawley-Smoot tariff. Because of the international market's situation, the production of the sugar countries, and the policies of the EEC and the United States, I do not think that the price of sugar will be favorable in the next few years. The value of the dollar has dropped. It was a necessary reevaluation of the dollar. However, this has affected us. Like Comrade Rodriguez Ilompart said, we have lost several hundred million dollars because of this. We could expect a slight increase; however, it will not be much. The U.S. economy is facing a crisis; it is a difficult situation and because of this we are facing a situation that we cannot describe as positive.

In addition, we cannot think in highly favorable terms when speaking of the price of oil. We will continue to reexport and export Cuban oil. The situation of the oil producing countries -- Cuba is hardly representative in this field because our oil exports are basically reexports of the Soviet oil we save -- is not that good.

Therefore, I can see nothing that can give us even a hint that the international economy will change in the next 4 or 5 years -- at least changes that will favor us. However, I do think that the process of rectification in which we are all involved, under the leadership of Comrade Fidel, will be favorable to us. We see successes in our national economy coming within our reach because of marked economic efficiency and a better use of our resources. This can make a difference in our contribution toward improving the world economy. However, we must prepare, through the readjustment measures we are adopting [words indistinct] to improve the national economy, to protect the standard of living of our people. This is what we have tried to do all along. We are developing and we can continue to develop because our economy does not depend on the economies of the capitalist and noncapitalist countries with which we negotiate with freely convertible currency. Our development depends on our ties with the socialist countries and these are solid, firm [words indistinct] and allow us, if we do our best, to have adequate development.

[Martinez] Dr Rodriguez, while you were speaking, I was recalling the economic conference held in Quito in January 1984. In Quito, 2,850 meters above sealevel, you mentioned the lack of unity among the Latin American countries to confront their problems of development and foreign debt. Has this situation changed?

[Rodriguez] It remains the same with very slight changes and these changes are all favorable. In Quito we saw that Latin American is becoming aware of its situation. This awareness grew noticeably following the Malvinas incident. This situation allowed the Latin Americans -- other Latin Americans because we were already aware of this -- to realize that unity did not mean unity between Latin America and the [Word indistinct] and brutal North that Marti spoke of, to defend us from an alleged foreign enemy. The Malvinas proved to us that the brutal and turbulent North had joined forces with the treacherous ally [word indistinct] to take its rage out on Latin America and carry out the usual oppression. This was a very important lesson, not only for the people of Argentina but for everyone. Argentina rejoined the rest of Latin America after this occurred.

Other events have worsened the economic situation of the Latin American countries. Unity is still on its way, it advances very slowly. The truth is that the peoples of Latin America have a sense of unity that is much stronger than the sense of unity of their leaders. However, the sense of unity of the Latin American leaders is much stronger than the sense of unity of the Latin American businessmen. What we need is determination. This determination must bring together governments that still think that they can save themselves without outside help, and governments that are closely involved with certain economic sectors that [words idistinct] resolve the problem of each of the countries. That is a serious mistake.

[Martinez] What do you think could be the worst mistake Latin America could make?

[Rodriguez] The worst mistake Latin America could make at this moment is to think that each country can handle the situation alone. In Latin America we have always been accustomed to have others fight the United States or the EEC in the hope that we will save ourselves This has only taken us from one defeat to another The need for Latin American unity is born from these experiences. It would be wrong to maintain the old attitude and think that we can save ourselves without the help of others. When referring to the Antilles, Jose Marti once said: united they will save themselves or united they will die. We could say the same about Latin America.

I do not mean to correct Marti, but peoples never die. Peoples can overthrow those who wish to take them to their deaths. History has never recorded the death of peoples. I trust that in the future -- I hope it is soon so that we can save ourselves in plenty of time -- the Latin American countries will join forces.

[Martinez] In conclusion, I would like you to talk to us of the three most important issues that affected the foreign debt this year. I am not speaking of 1987, this year has just begun and we cannot speak of this year yet. I am speaking of 1986 and 1987. The renegotiation of the debt is no longer a problem for many countries. No country has been able to avoid the renegotiation of its debt. There are countries like Brazil that owe $109 or $108 billion and there are other countries that do not owe as much. However, all those countries have been forced to renegotiate their debts.

Second, the awareness of the fact that the debt has become unpayable is now deeply rooted. This is no longer mentioned but everyone is aware of it. Even those who say that the debt can be paid if the conditions are changed -- ECLA and SELA have said that the debt is unpayable under current conditions -- have realized that the current conditions are not going to change. Even if the conditions did change, we could say that the word unpayable would still hold true. Fidel's words are vibrating in the air just waiting to be fulfilled. This is something that could happen at any time.

Third, I would say that a recent event is of great importance: Brazil's position. Brazil is trying to negotiate. Fidel has said that despite the outcome of Brazil's problem -- it could be that Brazil will renegotiate part of its debt and be forced to give in a bit as far as interest is concerned -- it is proof of what a Latin America that has still not followed Brazil needs. It could be that [words indistinct] partial negotiations may be achieved; however, it will not resolve the whole problem. The problem is there; it is explicitly, not implicitly, expressed.

At the recent conference in Guyana we saw the confirmation [words indistinct] Latin American ideas in which the Cartagena Consensus begins to be seen from a different view. You may recall, we were together in Quito and saw what was going on, that the Cartagena conference began with optimism. Then came the process of talks -- not really talks -- between the Cartagena Group and the Group of 10. Letters were sent and never answered. Those are the same letters that Fidel spoke of with some bitterness. Today no one feels very optimistic regarding the solution of our problems. Everyone feels that a certain sense of struggle is necessary. This has been said by ECLA and we heard it said by SELA in Caracas; you were there. Almost everyone who was there felt that there is a need for struggle. This was recently confirmed in Mexico during the ECLA conference convoked by President Miguel de la Madrid. It is a very prominent fact of political and social life in Latin America, Asia, and Africa.

Therefore, 1987 will be a year of struggle to solve the problems of Latin America and the rest of the world with their creditors, to prevent a catastrophe, and to undertake the possibility of development. I have used the word possibility because even though the problem of the debt is important it does not solve all the problems. As Fidel said, if we pay the debt or if they write off our debt, if we declare a moratorium or find a solution to the problem of the debt, we would be faced with a similar debt in a few years if the terms of exchange remain the same and if we continue to get paid the same prices for our basic products [words indistinct]. There are two important things we must realize: the debt is unpayable and there is a need for a new international economic order. What is happening today in the world revolves around this and [word indistinct] to final victory.

This is what I can say to conclude this pleasant encounter.

U.S.-HONDURAN JOINT MILITARY EXERCISES

'Pegasus-87'

FL211752 Havana Radio Reloj Network in Spanish 1329 GMT 21 Mar 87

[Text] In April over 7,000 U.S. soldiers will begin conducting three joint exercises with Honduran soldiers, thus increasing Washington's war capabilities to its highest level in Central America. The maneuvers, called "Pegasus-87", will use fighter planes from the two armies and communications and logistic support land troops.

The exercises, which will run from 1 April to 10 May, are being organized by the Honduran Armed Forces and the Panama-based U.S. Southern Command. U.S. and Honduran sources, who asked not to be identified, noted that those maneuvers will increase U.S. military might in Central America to a greater degree.

The maneuvers are part of the [word indistinct] "Sierra-87" joint exercises.

Terencio Sierra

PA241618 Havana International Service in Spanish 2300 GMT 23 Mar 87

["Our America" commentary, read by Norberto Hernandez]

[Text] Much is being said about the permanent presence of U.S. troops in Central America. Although the true U.S. intentions in the area are known, we feel that it would not hurt to analyze, even briefly, the role played by these troops, as well as the way they train to reach their goal.

Regarding this, we must talk about the various phases of the maneuvers being conducted in Honduras under the name of Terencio Sierra and including the participation of several contingents of U.S. military engineers, soldiers, and officers. It is very interesting to stress that these men come from diverse and elite U.S. units such as the Corps of Military Engineers of the Missouri National Guard, the U.S. Army's Engineers Battalion, the Illinois National Guard, and the Michigan Military Police.

A U.S. officer, Captain (John McMaster), who is in charge of the troops' public relations, recently said that the U.S. Army objective for these joint maneuvers is to familiarize its troops with tropical zones and to bring cultural ties with the Hondurans closer.

A total of 4,250 U.S. soldiers are training for such seemingly praiseworthy and innocent objectives. They will have the opportunity to train in the tropical climate of Honduras, which is very similar to that of Nicaragua. This is how we begin to see the true intentions of the U.S. troops, because roads and installations for the exclusive use of these forces are being built during these maneuvers. These roads and installations include a paved area for helicopters and another area to park 85 pieces of heavy machinery and equipment used to build roads.

We must bear in mind that although the United States supplied the equipment and paid the salary of its engineers and troops, Honduras has to supply the material and fuel used by the road equipment, the helicopters, and the ground vehicles used for operational support.

For the sake of such familiarization, troops of the Florida National Guard, one of the forces participating in the exercises, clashed with EPS troops in December 1986, as reported by Managua at the time. A member of the Special Artillery Unit, flown to the site of the fighting via helicopter, boasted, "We were the ones who fought the Sandinists. The contras retreated, and we attacked with heavy artillery. We taught the Hondurans how to fight." This clearly establishes the true intentions of all the elite U.S. troops and their joint military exercises in Central America. Any similarity to intervention and aggression is not coincidental.

U.S. 'INDUCED' FAILURE OF COFFEE MEETING

PA132234 Havana International Service in Spanish 1600 GMT 12 Mar 87

[Text] The U.S.-induced failure of the momentous meeting of coffee exporters and importers in London has laid the groundwork for an unprecedented trade war if no measures are adopted to prevent it and to keep coffee prices from noisily crashing down. The topic was broached by Luis Manue Arce in an analysis distributed by the news agency PRENSA LATINA, which we will now feature in this program.

Journalist Arce says that the U.S. attitude left big and small importers with so few alternatives to limit or prevent losses that the confusion among them cannot be concealed. Twelve hours after the failure became known, a ton of robusta lost $360 in value because it was quoted at $1,980, down from $2,340 the day before. Coffee has lost approximately 50 percent of its value since March of last year, when it was quoted at $2.40 per pound, compared to the current price of $1.25 a pound.

PRENSA LATINA notes that in London the U.S. delegation adamantly stood by its position that export quotas be negotiated immediately, which implied severe cuts in Brazil's quota at a time when Brazil is faced with a serious financial crisis that has forced it to declare a moratorium on the interest payments on its debt. In EEC circles there was receptivity for the negotiation formulas presented by Brazil and Colombia but, in the end, the United States swayed most of the importing countries and eight marginal exporters that hoped to increase their quotas.

The situation is now as follows: no regulations apply to either exports or prices. The agreement of the International Coffee Organization, which was to last until September 1989, does not exist either. The ceiling of 58 million bags for sale is no longer valid. Moreover, the producers will have to contend with Brazil, which has recovered from last year's production losses and needs to sell as much as it can of its harvest, which has been estimated at between 26 and 28 million bags this year.

Arce says in his article that Colombia -- which has problems with its $14-billion foreign debt and is giving payment guarantees to be able to receive major new loans this year -- has stated that it must place 13 millions bags instead of its quota of 9.3 million bags on the market to compensate for the losses from the drop in prices. The brunt will be felt by the small producers, especially the Central America and African producers, some of which depend on their coffee exports for over 50 percent of their needs.

The road is not altogether blocked, however. There is still the alternative of coordination among the 42 producers in order to avoid at all costs a trade war that will only benefit the United States and the major consumers.

In this regard, the Latin American voices that have risen in favor of a reasonable regional cooperation to prevent a glut on the international market and prices below 90 cents a pound -- which will bring more poverty and distress -- sound positive.

PRENSA LATINA's analysis concludes by stating that the example of coffee, which has one of the most stable organizations on the world market and one of the agreements that could best endure the onslaught of protectionism, the deterioration of trade terms, and the economic and financial crisis, must be turned into a stimulus in the struggle for the establishment of the new international economic order.

CEMA MACHINE BUILDING MEETING BEGINS 24 MAR

FL242149 Havana Radio Rebelde Network in Spanish 1700 GMT 24 Mar 87

[Report by Gisela Bel Heredia]

[Text] Attended by the representatives from 10 socialist countries, the Sixth Meeting of the CEMA Commission for Machine Building opened this morning at the Palace of Conventions. Pedro Miret Prieto, vice president of the Cuban Council of Ministers and Cuban representative to the commission, delivered the welcoming speech. Miret Prieto noted that the participants will analyze the progress made under the program to advance scientific-technical development, of strategic importance for the socialist community. Regarding future plans for machine building until the year 2000, he pointed out: [Begin recording] Our delegation is aware of the political will that prevails in our countries to give impetus to the development of Vietnam, Cuba, and Mongolia. This has been set out in the principal CEMA documents since the economic summit. Now we need to put into practice the guidelines for our work in concrete ways. We hope that this meeting will serve to advance this task. [end recording]

Aleksey Konstantinovich Antonov, deputy chairman of the USSR Council of Ministers and Soviet representative to the commission, stated in his speech that in view of the complex international situation, the unity of the socialist countries and their initiatives helps to avert a nuclear catastrophe and serves peace and progress. He added: [Begin recording in Russian with superimposed Spanish translation] Machine building and the unification of all workers involved in this branch are a very important premise for resolving the historic missions that we have ahead of us to speed up the development of our countries. [end recording]

The CEMA meeting will last until 26 March. It is being attended by representatives from Bulgaria, Hungary, SRV, GDR, Mongolia, Poland, Romania, CSSR, Yugoslavia, and Cuba. In their speeches, the speakers have highlighted the central purpose of the meeting: the analysis of the proposals for the development of multilateral cooperation with Mongolia, the SRV, and our country.

RAUL CASTRO, CPSU IDEOLOGICAL DELEGATION MEET

FL231244 Havana Tele-Rebelde Network in Spanish 1100 GMT 23 Mar 87

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba Central Committee, on Saturday received a delegation headed by Petr Slezko, first deputy chief of the Propaganda Department and candidate member of the Central Committee of the CPSU.

The delegation is here to discuss ideological work. A fraternal exchange of information and views took place during the meeting concerning the role of ideological work in the construction and subsequent perfection of socialism, in accordance with specific historical conditions and the stage each one of our processes is going through. Gen Castro also gave a penetrating explanation of results and experiences in the application of the concept of the war of all the people.

ECONOMIC TALKS WITH STATE PLANNING COMMISSION END

LD201556 Warsaw PAP in English 1342 GMT 20 Mar 87

[By PAP correspondent Ryszard Rymaszewski]

[Text] Havana, March 20 (PAP) -- The delegation of the State Planning Commission, headed by its chief, Vice Premier Manfred Gorywoda, ended here today talks with the Central Planning Board of the Republic of Cuba led by its president, Vice President of the Council of Ministers Jose Lopez Moreno. The talks served to agree on the scope of economic cooperation and trade exchange between Poland and Cuba in the years 1986-1990.

Vice Premier Gorywoda was received by the Communist Party of Cuba CC Political Bureau members, Vice President of the Council of State Carlos Rafael Rodriguez and Vice President of the Council of Ministers Osmany Cienfuegos. During the talks the sides discussed issues connected with a further deepening of economic cooperation between both sides.

Also reviewed were further prospects for development of bilateral cooperation until the year 2000. Both delegations confirmed favourable development of the scientific-technological cooperation and goods exchange in the years 1981-85. The sides made many decisions serving the goal of deepening of the international division of labour and bilateral economic, scientific and technological cooperation. The delegations also discussed possibilities of development of industrial cooperation.

In accordance with the decisions, the Polish imports will be dominated by household appliances, citrus fruit (fresh and processed), and nickel oxide. The Polish exports will chiefly embrace electro-engineering products such as equipment for food, sugar, and foundry industries.

AID ARRIVES IN ECUADOR FOR QUAKE VICTIMS

PA230332 Havana International Service in Spanish 2300 GMT 20 Mar 87

[Report by Enrique Garcia from Quito, Ecuador]

[Text] Ecuadoran Health Minister Dr Jorge Bracho has officially rfeceived the donation of 18 tons of food -- basically for children -- that Dr Roberto Menchaca, general director of the international relations office of Cuba's Health Ministry, has delivered on behalf of the Cuba Government. Cuba's donation for the victims of the violent quakes of 5 and 6 March arrived in a special Cubana de Aviacion plane that landed yesterday in the city of Guayaquil.

Ecuador's civil defense has estimated that the earthquakes affected more than 75,000 people. Minister Jorge Bracho, through Dr Menchaca, thanked the Cuban people, the Cuban children, and, especially, President Fidel Castro for their generous contribution at a particularly difficult moment for Ecuadoreans.

After delivering the Cuban contribution to the Ecuadoran victims, the Cuban officials boarded the Cuban airplane and returned on a direct flight home.

FURTHER ON VISIT BY BRAZIL'S ABREU SODRE

Comments on Debt, Geneva

FL182042 Havana Radio Reloj Network in Spanish 1904 GMT 18 Mar 87

[Text] Brazilian Foreign Minister Roberto Costa de Abreu Sodre said this afternoon that the foreign debt cannot be paid at the expense of a country's development or of the people's hunger. He said this in response to a question on the suspension of interest payments on the foreign debt decided by the Brasilia government. He noted that he does not believe that the Brazilian Government's position on the foreign debt will create a government crisis, because the Jose Sarney administration has the support of political parties and the Armed Forces.

On Brazil's abstention at the Geneva Human Rights meeting, Costa de Abreu said that his country found that the arguments on the case were not based on moral or ethical considerations, but on political and ideological reasons.

Grants Press Conference

FL182315 Havana Radio Periodico del Aire in Spanish 2230 GMT 18 Mar 87

[Text] Brazilian Foreign Minister Roberto Costa de Abreu Sodre has stressed that a positive result of his visit to Cuba has been the consolidation of unity between the two countries.

During a press conference this afternoon, Costa de Abreu Sodre noted the importance of a scientific-technical and technological cooperation agreement signed in Havana with his Cuban counterpart Isidoro Malmierca. He said that we were never separated and what Cuba and Brazil did today was revive their old contacts, which have similar origins and traditions.

He referred to the meeting he had yesterday with Commander in Chief Fidel Castro, president of the Councils of State and Ministers, with whom he will continue formal talks this afternoon. One of the fundamental topics of these talks, he said, will be the foreign debt, and he added that he will present a clear and objective report to the Cuban chief of the revolution on Brazilian President Jose Sarney's decision to indefinitely suspend payments to creditors.

Addresses UN Human Rights Vote

PA192206 Madrid EFE in Spanish 0602 GMT 19 Mar 87

[Text] Havana, 18 Mar (EFE) -- Brazilian Foreign Minister Roberto Costa de Abreu Sodre has stated in Havana that his country abstained from voting against Cuba in the UN Human Rights Commission because these subjects "should be dealt with based on ethical and moral, rather than ideological or political, criteria."

The United States proposed that the UN Human Rights Commission, meeting in Geneva, condemn the Cuban Government for human rights violations. This motion did not pass, as most of the Latin American countries voted against it. Costa Rica voted for the U.S. proposal and the Brazilian representatives abstained.

The Brazilian foreign minister stated at a press conference in Havana: "We believe that when political and ideological criteria prevail within the Human Rights Commission, they provoke confrontations that are contrary to the commission's objectives." Sodre stated that Brazil did not want the subject dealt with in an "emotional, partisan manner, because such attitudes should not prevail in the commission."

The Brazilian foreign minister ends his official 3-day visit to Cuba tomorrow. This is the first visit of a Brazilian foreign minister since the two nations renewed diplomatic relations.

Concludes Visit

FL191539 Havana Radio Reloj Network in Spanish 1512 GMT 19 Mar 87

[Excerpt] Cuban Foreign Minister Isidoro Malmierca is seeing off Brazilian Foreign Minister Roberto Costa de Abreu Sodre at the airport right now, thus concluding the latter's visit to Cuba. Other state and government leaders and members of the Brazilian Embassy are also seeing off the Brazilian minister and his delegation. [passage omitted]

PLO LEADER CALLS FOR INTERNATIONAL MEETING

FL242257 Havana Radio Reloj Network in Spanish 2038 GMT 24 Mar 87

[Text] It has been reported in this capital that Faruq Qaddumi, chief of the PLO Political Department, demanded that an international meeting aimed at solving the Palestine problem be held. During a lecture at the African and Middle East Center, Qaddumi indicated that such a meeting should be sponsored by the UN, with the participation of the United States, the Soviet Union, and a delegation from his people. He also called for the unity of the Arab world and noted that neither Washington nor Tel Aviv wants a fair solution to the Arab-Israeli conflict that has claimed so many lives among the Palestine civilian population.

Later, Faruq Qaddumi held talks with Levi Farah, president of the UNECA [Union of Caribbean Construction Enterprises] Corporation, and toured the Genetic and Biotechnology Institute, which he described as a great world-level project.

RISQUET, ALGERIA'S MESSAADIA HONOR MARTI

FL232155 Havana Radio Reloj Network in Spanish 1819 GMT 23 Mar 87

[Text] Mohamed Cherif Messaadia, member of the Politburo of the National Liberation Front [FLN] of Algeria, today placed a wreath at the base of the monument to our national hero, Jose Marti, on Revolution Square. Jorge Risquet, member of the Politburo of the Communist Party of Cuba [PCC] Central Committee, accompanied the Algerian leader during the ceremony. Messaadia was also accompanied by members of the delegation he is heading and by Pedro Ross, secretary of the PCC Central Committee.

Mohamed Cherif Messaadi arrived in Havana on Saturday at the invitation of the PCC Central Committee. During his visit to Cuba the FLN leader will meet with high-ranking Cuban officials.

ANTIGUA AND BARBUDA

CANDIDATES VIE FOR 23 MARCH ELECTION POSTS

FL191630 Bridgetown CANA in English 1418 GMT 19 Mar 87

[Text] St Johns, Antigua, March 19, CANA -- Eight nominees have been named to contest the March 23 local government elections in Barbuda.

George Burton, Hilroy Thomas, Johnnie Desouza, and Lincoln Burton will represent the Barbuda committee headed by the island's parliamentary representative, Eric Burton, while HIlbourne Frank, Jean Cephus, George Beazer, and Emmanuel Punter are representing the opposition Barbuda Peoples Movement (BPM).

Frank is the leader of the BPM, which currently has seven of the nine members on the council.

Four of the nominees -- Burton, Frank, Beazer, and Punter -- are seeking re-election. The other five elected members of the council -- Arthur Nibbs, George James, David Shaw, Peter Frank, and Calvin Gore -- will be up for re-election in 1989. Eric Burton and government appointed councillor, Michael Harris, are the other two members of the council.

The regulations of the Antigua and Barbuda Constitution stipulate that elections must be held every two years in the 62 square mile island of just over 1,200 inhabitants, to rotate the membership of the council.

Barbuda has a voting population of just over 500.

BARBADOS

DIPLOMATIC RELATIONS ESTABLISHED WITH GREECE

FL231450 Bridgetown CANA in English 2201 GMT 22 Mar 87

[Text] Bridgetown, Barbados, March 22, CANA -- Barbados and Greece have established diplomatic relations, a government statement said tonight. The statement said the two governments are confident that the decision will lead to the development of commercial, economic, and cultural relations.

BARROW FREEZES DEFENSE FORCE RECRUITMENTS

FL181450 Bridgetown CANA in English 1400 GMT 18 Mar 87

[Excerpt] Bridgetown, Barbados, March 18, CANA -- Prime Minister Errol Barrow announced a freeze on further recruitment for the Barbados Defence Force last night. Retirees from the army will not be replaced, barrow, who is minister of defense, said. "By the process of attrition, the force will decline," he told Parliament, which is debating government estimates of revenue and expenditure for the upcoming financial year.

These measures are well in line with Barrow's stated intention to reduce the size of the Defense Force which he estimated at around 1 800 [figure as received] shortly after he assumed office in May last year.

Barrow, however, reiterated his support for the Barbados Coast Guard Service, stressing its role in combatting smuggling of contraband into the island. He said that he would like to see the Coast Guard outnumber the Army.

Barrow, who is also responsible for civil aviation, said that the Defense Force will now help provide security at the island's only international airport, south of here. He said that 45 armed members of the force will be stationed at the airport to bolster security and to deal with any acts of terrorism. [passage omitted]

JAMAICA

SEAGA CITES ISLAND'S INVESTMENT ADVANTAGES

FL192206 Bridgetown CANA in English 2130 GMT 19 Mar 87

[Text] Kingston, Jamaica, March 19, CANA -- Jamaica has the best climate for investment of all Caribbean countries for foreign investment, the island's Prime Minister Edward Seaga says. Seaga gave his assessment to members of the American Chamber of Commerce of Jamaica yesterday, officials said.

He listed among Jamaica's advantages a super-competitive exchange rate, excellent infrastructure, including two international airports and two major seaports, modern telecommunication facilities, a large pool of English-speaking labour, and proximity to the United States.

Seaga said that the island had good amenities and a way of life which paid respect to the American values of hard work and good service. In business investment, he added, Jamaican entrepreneurs compared favourably with their American counterparts and could hold their own in negotiations with foreign entities.

Seaga has been strongly pushing Jamaica as a haven for foreign investment, and as a major policy tool has sharply devalued the Jamaican dollar from J1.78 for one U.S. dollar in 1983 to the current exchange rate of J5.50 for one U.S. dollar. An auction system for the allocation of foreign exchange also provides a ready-made mechanism to effect devaluations.

PRIME MINISTER SEAGA RESTRUCTURES NIBJ

FL250107 Bridgetown CANA in English 2236 GMT 24 Mar 87

[Text] Kingston, Jamaica, March 24, CANA -- Prime Minister Edward Seaga has trimmed four companies from the powerful National Investment Bank of Jamaica (NIBJ) in a move which the government said was to restructure the NIBJ.

From April 1, he said, Jamaica Bauxite Mining Limited, which carries the government holdings in the big bauxite-alumina sector here, and the Jamaica Bauxite institute, which monitors the industry, will be transferred to the Mining and Energy Ministry.

The government's Project Analysis Monitoring Company will go to the Ministry of Finance and Planning, where its role will be to monitor the implementation and expenditure on state projects.

Seaga said Carib Engineering Limited, which was established to undertake a major project to lay pipe lines across the mountains to bring water to Kingston from the east, has been transferred to the Ministry of Local Government, which will also have responsibility for the National Water Commission (NWC). The NWC is at present under the portfolio of the Public Utilities and Transport Ministry, headed by the popular Pearnel Charles.

The Water Commission has become notorious for inefficient service and over-billing and has become the butt of the daily radio phone-in shows here. Seaga said that in the new scheme the NWC will be responsible for the delivery of water and sewage for services, maintenance, and minor projects.

New major projects will be done by Carib Engineering, which won high praise for the dispatch and efficiency with which it carried out the Yallahs pipeline scheme that became operational last year.

Government's divestment programme last year saw the NIBJ offering the public 51 percent of the shares in the National Commercial Bank (NCB) and soon up for sale will be the Caribbean Cement Company and the Jamaica Broadcasting Corporation (JBC). However, government officials have discounted suggestions that the NIBJ restructuring reflected stepped up divestment of state-owned companies. The officials said there was nothing behind the new moves other than what the prime minister announced -- that the NIBJ was being revamped into an institution more in keeping with its name.

MONTSERRAT

CHIEF MINISTER OSBORNE PRESENTS 1987 BUDGET

FL201845 Bridgetown CANA in English 1646 GMT 20 Mar 87

[Excerpts] Plymouth, Montserrat, March 20, CANA -- Montserrat's Chief Minister John Osborne has presented a tax-free EC27.8 million dollar (one EC dollar -- 37 cents U.S.) budget and promised economic growth through development in the industrial and tourism sectors.

The projected estimates of expenditure for 1987 show a total of 27.8 million dollars, an increase of 2.6 million dollars over the last fiscal year. Osborne told Parliament the new package showed just over 15.4 million dollars going towards recurrent expenditure, with the remainder being allocated to capital and other services. [passage omitted]

Osborne told Parliament during his one-hour presentation that the economy grew by 5.1 per cent last year, compared with the 4.6 per cent in 1985. He added that despite a shortfall in revenue arising from income tax concessions granted last year, government was able to record a budgetary surplus of 600,000 dollars.

He said for the second consecutive year inflation stood at three per cent while unemployment was below six per cent." [quotation mark as received]

Osborne said government would continue to place greater emphasis on the much publicised Little Bay Tourism Project, a proposed multi-million-dollar venture occupying over 200 acres of land in the north of the island, for which foreign investment is being sought. [passage omitted]

OPPOSITION ATTACKS 1987-88 BUDGET, POLICIES

FL241956 Bridgetown CANA in English 1709 GMT 24 Mar 87

[Text] Plymouth, Montserrat, March 24, CANA -- Montserrat's Parliament approved the 1987-88 budget after opposition parliamentarians attacked the fiscal package as empty and a forerunner to general elections.

Government last week presented an EC27.8 million dollar (one EC dollar -- 37 cents U.S.) budget which did not include new taxes. Chief Minister John Osborne also said while the economy had grown by 5.1 percent in 1986, efforts must be made to continue the economic growth of the island mainly through the tourism and industrial sectors.

But in their contribution to the debate, opposition parliamentarians portrayed the fiscal package as containing nothing new. They argued it was geared to winning votes. General elections are not constitutionally necessary until early next year but opposition parties are expecting an early poll.

Last night the National Development Party -- which is not represented in Parliament -- held a public meeting in the capital, Plymouth, and like Progressive Democratic Party (PDP) parliamentarians, attacked the government's policies on tourism, particularly with regard to a multi-million-dollar tourism project earmarked for the north of the island. They said government spent more than three quarters of a million dollars on travel during 1986 and the project for which a hotel, condominiums, villas, and a casino are included, was no closer to reality than when it was first presented in 1982.

The opposition repeated their call for government to hold a referendum on the casino aspect of the project, which has also been denounced by the Christian Council here.

Government has been talking about Little Bay Tourism Project for eight years now...only to leave disappointment and frustration with Montseratians, Bramble told parliament.

Government representatives said negotiations with a Canadian company on starting the project were under way and hoped it would lead to a successful conclusion.

DRAFT CONSTITUTION OUTLINED, STILL WORK TO BE DONE

PM241625 Rotterdam NRC HANDELSBAD in Dutch 19 Mar 87 p 2

[Article by Hans Buddingh: "The Surinamese Draft Constitution Is Ready, But There Is 'Still a Great Deal To Discuss'"]

[Text] The Hague/Paramaribo, 19 Mar -- "Some things in the draft constitution have been well handled, but there are still some tough nuts left to crack." That, according to a prominent representative of one of the "old" political parties in Suriname, is the state of affairs that has been reached in the discussion of the draft constitution which must be completed by 31 March. After 6 months the draft will be put to the Surinamese people in a referendum, after which free elections should follow next spring.

At the end of last week the National Assembly approved a draft constitution. However, the final content of the constitution has not yet been fixed. The National Assembly contains representatives of the 25 February Movement (the political arm of the Army), the trade union movement, and industry and commerce. The "old" political parties -- the Progressive Reformed Party, the Suriname National Party, and the Indonesian Peasant's Party -- are not represented, however. They are exerting influence on the draft constitution through the Supreme Council, Suriname's highest political body.

The "old" parties see it as an important breakthrough that Army leader Bouterse has accepted the principle of free elections. There will be a new National Assembly consisting entirely of representatives of the political parties, who will be elected under a system of proportional representation.

The assembly will be the country's highest legislative body and will have a life of 5 years. It will be possible to recall its members before their term has expired. The 25 February Movement has long been urging a two-tier system according to which district representatives, chosen as candidates on a personal basis, would be elected to the National Assembly indirectly. In the 25 February Movement's vision it would be possible in this way to reduce somewhat the influence of the political parties. However, in the draft constitution district council elections have been totally separated from elections for national-level representatives.

Under the draft Suriname will have a presidential system with executive powers for the president. The president will have to be elected by a two-thirds majority of the 51-member National Assembly for a 5-year term. If no one is able to win two-thirds of the vote, there will be a second round of voting between the two leading candidates in which once again a two-thirds majority is necessary. If such a majority still fails to materialize, a presidential election will be carried out by the so-called United People's Assembly (Verenigde Volksvergadering) in which a simple majority is enough. The United People's Assembly wil consist of the National Assembly and the district councils and a few other elected low-level regional bodies.

The circles of the "old" political parties are denying persistent rumors of a presidency for Army leader Bouterse. At any rate no agreements for such a step have been reached "And we would never accept an electoral system that would automatically result in the election of Bouterse," a prominent "old" politician said. The parties are convinced that they will win almost three-fourths of the seats in the National Assembly and will themselves be able to determine who becomes president.

According to the parties the text of the draft constitution does not give the National Assembly adequate checks on the power of the president (who is also supreme commander of the Army). According to the draft constitution the president and the government are accountable to the legislature. The political parties want it to be made clearer that the assembly has the power to remove the president from office.

On one or two points the "old" political parties have major reservations. These are chiefly to do with the position of the Army in the state system. The parties have no difficulty in accepting the establishment of a Council of State as a "watchdog" over them. The Council of State will include representatives of the Army as well as representative of the political parties in the National Assembly, the trade union movement, and employers, and the seats will be allocated according to a system that is still to be worked out in detail. The president will be the chairman of the Council of State, and the prime minister will act as vice president. Initially it was intended that the Council of State should also have legislative powers, but at the request of the "old" political parties this element was dropped from the draft constitution.

The Council of State will be able to decide whether or not to suspend the cabinet or lower-ranking bodies if these come into conflict with the constitution, the government program, or the "national interest." The "old" parties are strongly opposed to this latter element in the formulation, since it would make arbitrary decisions possible. According to the parties the suspension procedure must also be spelled out in greater detail. The "old" parties are also strongly opposed to the power of the Council of State to introduce "general mobilization, whenever the national interest demands." According to the parties the Council of State must have nothing at all to do with popular mobilization.

The parties also have insurmountable objections to the way in which the position of the Military Authorities [Militair Gezag] has been formulated in the draft constitution. The draft constitution states that the Military Authorities will provide leadership for "the promotion of national development." According to the political parties this phrase must simply be scrapped. According to the political parties the passage referring to the participation of the Surinamese people in defense through "people's militia structures" should also be removed, because this would legalize the feared people's militia. A prominent member of one of the parties has said: "If this sort of provision is retained, the answer in the referendum will be 'no.'"

The draft constitution also contains provisions for a so-called Security Council, whose task would be to carry on the administration of Suirname in times of war or military aggression. The "old" parties would be able to live with this provision, because it has no permanent character. It would be the National Assembly that would be able to convene the Security Council after the declaration of a state of emergency. The president, the chairman of the National Assembly, the vice president (who is also the prime minister), a member of the Council of State, two members of the National Army, and one cabinet member would sit on the Security Council.

A recently appointed constitutional committee chaired by lawyer Eddie Bruma, who helped form the Chin A Sen cabinet after the 1980 coup, has been given the task of drafting the definitive text of a constitution. In doing so the committee will follow directions from the Supreme Council. According to the "old" political parties there is "still a great deal" to discuss. If it does prove possible to resolve the political difficulties before 31 March, the definitive text of the constitution is still bound to be a long time in coming.

Opposition Parties' Objections

FL241842 Paramaribo International Service in English 1730 GMT 24 Mar 87

[Text] The three opposition political parties have reacted to the political framework for the draft constitution.

Two weeks ago, the National Assembly unanimously adopted the framework. The political parties said they do not want to participate in the National Assembly. Last Saturday [21 March] they presented an 18-page document to government leader Desi Bouterse in which they state certain objections, questions, and doubts about the framework.

Their remarks concern technical questions as well as principals such as objections against the stipulation that representatives in the National Assembly from a district should reside there. The political parties are of the opinion that this is contrary to the fundamental right of citizens to move freely through the country. They also say that important laws, such as the law in political parties, should be made public before the referendum.

REPORTS OF CONTINUED REBEL ATTACKS 19 MAR

PM241443 Rotterdam NRC HANDELSBLAD in Dutch 19 Mar 87 p 1

[ANP, AP dispatch: "Brunswijk Supporters Attack Army Camp"]

[Excerpt] Paramaribo, 19 Mar -- Troops and mercenaries of Ronnie Brunswijk's Jungle Commando yesterday launched an attack on the Fort Doedel military camp at Brownsweg.

Soldiers of the National Army are said to have repulsed this attack. According to interim reports from the SNA national press agency many were wounded or killed on the Brunswijk side. No casualties are reported in the Army's ranks.

The Surinamese Army has begun cleanup operations in the area around Brownsweg. A few days ago the men of the Jungle Commando set fire to and rendered unusable a bridge on the Manama Creek 1 km beyond Berg en Dal on the Paramaribo-Brownsweg road.

Brownsweg is close to the Affobakka Dam, where the bulk of Suriname's electricity is produced.

Village headmen in the area of the fighting are to hold talks tomorrow with government officials in Paramaribo. After talks today school and further education students are to meet with Prime Minister Jules Wijdenbosch. The school and further education students will try to persuade the government to reopen the 11 schools in Paramaribo that were closed after recent demonstrations. [passage omitted]

BAUXITE COMPANY REPORTEDLY RESUMES PRODUCTION

PM241005 Rotterdam NRC HANDELSBLAD in Dutch 18 Mar 87 p 7

[ANP, AP, REUTER report: "Suralco Bauxite Company Back at Work"]

[Excerpt] The Hague/Paramaribo, 18 Mar -- Last week Suriname's Suralco Bauxite Company resumed production. Of its 1,600 employees, 1,300 are back at work, a company spokesman confirmed.

It is expected that within a few days maximum capacity of 4,000 tons of aluminum will be achieved, although it is being pointed out that the company is not yet producing export quality aluminum. The chemical process has been disrupted as a result of the damage done on 2 February by a number of workers, a few days after the factory was put out of action by the sabotage of a high-tension power line. The sabotage was blamed on Ronnie Brunswijk's Jungle Commando.

As a result of the fighting in eastern Suriname, work has still not resumed at the mines in Moengo. As a result Suralco is being forced to import bauxite ore from abroad, despite the enormous bauxite reserves in the country, in order to keep the factory going.

As a result of the fighting between Brunswijk's Jungle Commando and the Surinamese Government Army, the approximately 6,500 inhabitants of the small town of Brownsweg, 100 km south of Paramaribo, left their homes last week. According to the authorities, the population was complying with an ultimatum from members of the Brunswijk group ordering them "to leave their homes by 16 March at the latest and leave behind their furniture and household effects." [passage omitted]

YOUTH SEEK TO 'NORMALIZE' SITUATION IN INTERIOR

FL201925 Paramaribo International Service in English 1730 GMT 20 Mar 87

[Text] (?Youths) from the Brokopondo and (Tipaliwini) Districts have formed themselves into a working group to normalize the situation in the interior. In a communique issued this week, it said the youth in the interior do not want to suffer from actions by the Brunjswijk Gang, which they referred to as a group of criminals and adventurers. It called on the gang to leave the area immediately while the youth from other areas were urged to organize themselves against the gang.

STUDENTS 'HAVE NO TRUST' IN GOVERNMENT ANYMORE

FL192209 Paramaribo International Service in English 1730 GMT 19 Mar 87

[Text] Following a meeting, student leaders of 11 high schools have submitted a declaration to, among others, the president and the government of Suriname. The students said that because of the present social-economic crisis and its political background they don't see possibilities for further development. They said that for some time now they have become frustrated and the demonstrations since last February 17th were expressions of these frustrations. In the declaration, the students blamed the National Assembly for not paying attention to their problems adding that they have no trust in the government any more.

The Ministry of Education, which closed the schools about 1 month ago because of the escalation of students demonstrations which brought damage and destruction, permitted the students to use the schools for the meeting this morning.